佳源服務控股有限公司

JIAYUAN SERVICES HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE : 1153

2024
ANNUAL
REPORT

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Li Meng (李猛先生) *(Chairman)*
(appointed on 10 December 2024)
Mr. Xin Bing (辛冰先生)
(appointed on 10 December 2024)
Mr. Zhu Hongge (朱宏戈先生)
(resigned on 26 July 2024)
Mr. Pang Bo (龐博先生)
(resigned on 31 December 2024)
Mr. Bao Guojun (鮑國軍先生)
(resigned on 31 December 2024)

Non-Executive Directors

Ms. Ruan Hong (阮紅女士)
(appointed on 28 February 2025)
Mr. Huang Fuqing (黃福清先生)
(resigned on 12 August 2024)

Independent Non-Executive Directors

Mr. Zhang Chen (張辰先生)
(appointed on 10 December 2024)
Ms. Cui Yan (崔艷女士)
(appointed on 10 December 2024)
Mr. Cai Sitao (蔡思韜先生)
(appointed on 10 December 2024)
Ms. Liang Yunxu (梁藴旭女士)
(resigned on 31 December 2024)
Mr. Wang Huimin (王惠敏先生)
(resigned on 31 December 2024)
Mr. Wong Kwok Yin (王國賢先生)
(resigned on 31 December 2024)

AUDIT COMMITTEE

Ms. Cui Yan (崔艷女士) *(Chairman)*
(appointed on 10 December 2024)
Mr. Zhang Chen (張辰先生)
(appointed on 10 December 2024)
Mr. Cai Sitao (蔡思韜先生)
(appointed on 10 December 2024)
Mr. Wong Kwok Yin (王國賢先生) *(Chairman)*
(resigned on 10 December 2024)
Ms. Liang Yunxu (梁藴旭女士)
(resigned on 10 December 2024)
Mr. Wang Huimin (王惠敏先生)
(resigned on 10 December 2024)

REMUNERATION COMMITTEE

Mr. Zhang Chen (張辰先生) *(Chairman)*
(appointed on 10 December 2024)
Mr. Li Meng (李猛先生)
(appointed on 10 December 2024)
Ms. Cui Yan (崔艷女士)
(appointed on 10 December 2024)
Ms. Liang Yunxu (梁藴旭女士) *(Chairman)*
(resigned on 10 December 2024)
Mr. Pang Bo (龐博先生)
(resigned on 10 December 2024)
Mr. Wang Huimin (王惠敏先生)
(resigned on 10 December 2024)

NOMINATION COMMITTEE

Mr. Li Meng (李猛先生) *(Chairman)*
(appointed on 10 December 2024)
Mr. Zhang Chen (張辰先生)
(appointed on 10 December 2024)
Ms. Cui Yan (崔艷女士)
(appointed on 10 December 2024)
Mr. Cai Sitao (蔡思韜先生)
(appointed on 10 December 2024)
Mr. Zhu Hongge (朱宏戈先生) *(Chairman)*
(resigned on 26 July 2024)
Mr. Pang Bo (龐博先生) *(Chairman)*
(appointed on 26 July 2024 and resigned on 10 December 2024)
Ms. Liang Yunxu (梁藴旭女士)
(resigned on 10 December 2024)
Mr. Wong Kwok Yin (王國賢先生)
(resigned on 10 December 2024)

AUTHORISED REPRESENTATIVES

Ms. Leung Kwan Wai (梁君慧女士)
Mr. Li Meng (李猛先生)
(appointed on 10 December 2024)
Mr. Zhu Hongge (朱宏戈先生)
(resigned on 26 July 2024)
Mr. Pang Bo (龐博先生) *(appointed on 26 July 2024 and resigned on 10 December 2024)*

AUDITOR

Elite Partners CPA Limited
(resigned on 9 September 2024)
RSM Hong Kong *(appointed on 10 September 2024)*

LEGAL ADVISERS

As to Hong Kong law:
CLKW Lawyers LLP (In association with Michael Li & Co.)
ReedSmith Richards Butler LLP

As to PRC law:
Zhejiang Yijingyuan Law Firm* (浙江宜景源律師事務所)

As to Cayman Islands law:
Conyers Dill & Pearman

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111 Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN PRC

Floor 3, Rome Metropolis No. 899, Wanghu Road
Nanhu District, Jiaxing, Zhejiang Province, PRC

HEADQUARTERS

Room 3601-06, 36/F,
China Merchants Tower, Shun Tak Centre,
168-200 Connaught Road,
Hong Kong *(with effect from 17 February 2025)*

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111 Cayman Islands

BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

Industrial and Commercial Bank of China
China Construction Bank
Bank of China

JOINT COMPANY SECRETARIES

Mr. Wu Hao (吳昊先生)
(appointed on 28 December 2024)
Ms. Leung Kwan Wai (梁君慧女士)
Mr. Pang Bo (龐博先生)
(resigned on 10 December 2024)

STOCK CODE

1153

COMPANY'S WEBSITE

http://jy-fw.cn/

* *For identification purpose only*

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!

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

MANAGEMENT DISCUSSION AND ANALYSIS

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	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	***%***	*RMB'000*	*%*
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 report.

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. 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 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 ended 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.

Additional information on material uncertainty related to going concern

The Company's auditor, RSM Hong Kong, issued a material uncertainty related to going concern for the year ended 31 December 2024. Details are disclosed in the Independent Auditor's Report of this report.

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 at 31 December 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.

The biographical details of the Directors and senior management as at the date of this annual report were as follows:

EXECUTIVE DIRECTORS

Mr. Li Meng (李猛) ("Mr. Li"), aged 33, was appointed as an executive Director on 10 December 2024. Mr. Li has extensive experience in the bond capital market and financing, particularly in various standardized bond issuances and non-standard business financing. Since 2021, Mr. Li has been serving as vice president of the fixed income department at Valuable Capital Limited, a limited company incorporated in Hong Kong and a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**"), responsible for the debt capital market business. Mr. Li is currently licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. Prior to that, from 2016 to 2020, Mr. Li worked at Sinotruk (Hong Kong) International Investment Limited* (中國重汽(香港)國際資本有限公司), where he was responsible for financing, investment, and sales in the Hong Kong market, successfully expanding several high-end overseas markets. Mr. Li obtained a bachelor's degree in engineering from Shandong Jiaotong University in 2015.

Mr. Xin Bing (辛冰) (formerly known as Xin Bing 辛兵) ("Mr. Xin"), aged 58, was appointed as an executive Director on 10 December 2024. Mr. Xin obtained a bachelor's degree in engineering from Huazhong University of Science and Technology* (華中科技大學) (formerly known as Huazhong University of Science and Technology* (華中理工大學)) in 1988 and a master's degree in business administration from China Europe International Business School* (中歐國際工商學院) in 2022. Mr. Xin has been the director of Beijing Extreme Experience Travel Service Co., Ltd.* (北京極度體驗旅遊服務有限公司) since 2016. Prior to that, he worked as administration general manager at Chongqing Zhongya Zhongli Tax Agents Co., Ltd.* (重慶中亞眾力稅務師事務所有限公司) from 2005 to 2015, and as deputy general manager at Chongqing Chunyu Industrial (Group) Co., Ltd.* (重慶春語實業(集團)有限公司) from 2001 to 2004. He also worked as deputy general manager at Chongqing City Yubei Housing Development Co., Ltd.* (重慶市渝北房屋開發公司) from 1999 to 2001 and as manager of the planning department at Chongqing Jiazhou Property Development Co., Ltd.* (重慶加州物業服務有限公司) from 1992 to 1999. He served as assistant engineer at Chengdu Industrial Economic Technology Development Co., Ltd.* (成都工業經濟技術開發公司) from 1988 to 1991.

NON-EXECUTIVE DIRECTOR

Ms. Ruan Hong (阮紅) ("Ms. Ruan"), aged 63, was appointed as a non-executive Director on 28 February 2025. Ms. Ruan obtained her master's degree in business administration from Tongji University in September 2011. Ms. Ruan has over 40 years of experience in accounting and finance. She is currently a senior economist and has obtained the qualification of independent director in February 2017. Ms. Ruan has worked as a deputy president of The Bank of Jiaxing from July 2010 to February 2017. She joined the Group in July 2024 and has been serving as a president of (i) Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd.* (浙江智想大成物業服務集團有限公司) and (ii) Zhejiang Heyuan Property Services Co., Ltd.* (浙江禾源物業服務有限公司), both wholly-owned subsidiaries of the Company since July 2024.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhang Chen (張辰) ("Mr. Zhang"), aged 41, was appointed as an independent non-executive Director on 10 December 2024. Mr. Zhang obtained his bachelor's degree in dental surgery from the University of Hong Kong in November 2008 and his master's degree in dental surgery (periodontology) from the University of Hong Kong in November 2012. He has been a registered dentist in Hong Kong since August 2008. Mr. Zhang has over 9 years of experience in business management. Mr. Zhang has been serving as an independent non-executive director at Beijing UBOX Online Technology Corp.* (北京友寶在線科技股份有限公司) (Stock Code: 2429) since June 2021. Mr. Zhang has established and operated his own clinic, Dr. Johnson's Clinic Limited* (張辰醫生牙科診所有限公司) since 2014. From June 2010 to 2014, he worked as a dentist at Dental World Ltd.

Ms. Cui Yan (崔艷) ("Ms. Cui"), aged 44, was appointed as an independent non-executive Director on 10 December 2024. Ms. Cui obtained her bachelor's degree in management (majoring in accounting) from the University of Petroleum, Beijing* (石油大學(北京)) in 2003 and her master's degree in management from the China University of Petroleum, Beijing* (中國石油大學(北京)) in 2006. Ms. Cui has been serving as executive director, board secretary and vice president at Beijing UBOX Online Technology Corp.* (北京友寶在線科技股份有限公司) (Stock Code: 2429) since 2016 and worked as financial director in the same company from 2012 to 2016. She worked as manager at Grant Thornton Zhitong Certified Public Accountants LLP* (致同會計師事務所(特殊普通合夥)) from 2006 to 2011.

Mr. Cai Sitao (蔡思韜) ("Mr. Cai"), aged 40, was appointed as an independent non-executive Director on 10 December 2024. Mr. Cai obtained his associate degree in fashion design and craftsmanship from Guangzhou University* (廣州大學) in 2008. Mr. Cai is a multimedia creator with extensive experience in brand positioning and brand design. Mr. Cai has been serving as brand director for Guangzhou City Guangjiu Catering Management Co., Ltd.* (廣州市廣九餐飲管理有限公司) since 2022, and for Guangzhou Songyuan Cuisine Co., Ltd.* (廣州松苑飲食有限公司) since 2023. Additionally, he has been serving as supervisor and executive director at Guangzhou Fastfoot Branding Strategy Co., Ltd.* (廣州急急腳品牌策略有限公司) since 2019, and as executive director at Guangzhou Fastfoot Coffee Co., Ltd.* (廣州急急腳咖啡有限公司) since 2019. Mr. Cai is also the executive director of Guangzhou Zaisan Art and Culture Co., Ltd.* (廣州再叁文化藝術有限公司) since 2016.

SENIOR MANAGEMENT

Mr. Deng Guanghua (鄧廣華), aged 41, joined the Group in August 2021 as the general manager of the investment and development center of the Group and is mainly responsible for the investment development and management of compliance and risk control of the Group.

Mr. Deng Guanghua has over 16 years of experience in industrial and commercial administration, real estate investment development management and property services corporate investment management. Before joining the Group, he worked in Zhejiang Zhaohui Filter Technology Co., Ltd. as the secretary to the president in December 2008, mainly responsible for administrative management. In April 2011, he served as the secretary to the chairman of Sanhang Holding Group Co., Ltd., mainly responsible for the affairs related to the office of the board of directors. From July 2011 to August 2015, he successively served as the manager of the planning procurement department in Jiaxing Zhencai Building Materials Co., Ltd. (嘉興市真才建築材料有限公司) (currently known as Zhejiang Jiayuan Chuangsheng Real Estate Group Co., Ltd.* (浙江佳源創盛物產集團有限公司)), mainly responsible for the introduction of strategic cooperative suppliers of building materials and equipment and the management of centralised product procurement and supply. From September 2015 to July 2021, he served as the general manager of the comprehensive management center and subsequently the general manager of the investment development center in Zhejiang Jiayuan Hangzhou Real Estate Group Co., Ltd. (浙江佳源杭城房地產集團有限公司), in charge of the company's human resources and administration, compliance and risk management, development and operation and project investment management.

Mr. Deng Guanghua obtained a bachelor's degree in business administration from Xi'an University of Finance and Economics in June 2006, and a master's degree in business management from Zhejiang University of Finance and Economics in March 2009.

Ms. Rui Ping (芮萍), aged 51, was appointed as a general manager of the product operations center of the Group in January 2018. She is primarily responsible for quality control and the management of the product operations center of the Group. She joined the Group in December 2016 as a deputy general manager of the operational management center of the Group. Ms. Rui has over 18 years of experience in property management industry. Prior to joining the Group, Ms. Rui worked at the Tongxiang branch of Zhejiang Jiahang Property Management Company Limited (浙江嘉杭物業管理有限公司) (formerly known as Jiaxing Jiaye Yangguang Property Management Co., Ltd. (嘉興市嘉業陽光物業管理有限公司) in 2006. From March 2008 to March 2012, she successively served as a manager of the supervision department and a manager of the operational and management department of Jiayuan Services. From April 2012 to December 2016, she left the Group and worked at Zhejiang Wanbohui Investment Management Co., Ltd. (浙江萬博匯投資管理有限公司), with her last position as a manager of its operational and management department. Ms. Rui obtained a diploma in administrative management from The Open University of China (國家開放大學) (formerly known as China Central Radio and TV University) (中央廣播電視大學)) in the PRC in January 2008.

Mr. Wei Haizhou (魏海舟), aged 51, was appointed as a deputy general manger of the financial audit centre of the Company (the "**Finance Audit Centre**") in December 2023 and was subsequently appointed as the general manager of the Finance Audit Centre in June 2024. He is primarily responsible for the management of the finance funding and internal audit of the Group. Mr. Wei joined the Group in December 2018 as a manager of the audit department of the Group. Mr. Wei has 30 years of experience in finance and management in the building and real estate industry. Prior to joining the Group, from December 2010 to December 2016, Mr. Wei worked as the financial controller of Chongqing No. 10 Construction Co., Ltd.* (重慶第十建設有限公司), a company principally engaged in construction projects, and from March 2017 to November 2018, Mr. Wei worked as the financial controller of the finance resources centre of Chongqing Zesheng Cultural Tourism Group Co., Ltd.* (重慶澤勝文化旅遊集團有限公司), a company principally engaged in cultural tourism. Mr. Wei obtained an Executive Master of Business Administration degree from Southwestern University of Finance and Economics (西南財經大學) in the PRC in December 2015. Mr. Wei has obtained a Certificate of Accounting Profession (會計從業資格證書) issued by the Ministry of Finance of the PRC* (中華人民共和國財政部), a member of The Institute of Public Accountant of Australia and a member of The Institute of Financial Accountants of United Kingdom in 1997 and certified as a senior international finance manager awarded jointly by China Association of Chief Financial Officers (中國總會計師協會), International Financial Management Association (國際財務管理協會) and Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) in 2017.

Ms. Zhang Yaqin (張亞琴), aged 43, was appointed as a deputy general manager of the human resources management center of the Group in January 2020 and is primarily responsible for the overall management of human resources of the Group, in April 2021, has been concurrent in charge of the Group's comprehensive management center and is responsible for administrative comprehensive affairs. She was appointed as a general manager of the comprehensive management center of the Group in February 2023, the comprehensive management center has now been renamed as the personnel administration center (where the human resources management center and the comprehensive management center are merged) and is primarily responsible for the management of human resources and administrative comprehensive affairs of the Group. She joined the Group in July 2007 as a staff in the human resources and administrative department of the Group and served as an assistant manager of the human resource and administrative department in August 2016, where she was primarily responsible for overseeing the administrative affairs of the Group. From January 2017 to December 2019, she served as the administrative secretary in the integrated management center of the Group, where she was primarily responsible for administrative management and establishment of internal system. Prior to joining the Group, from October 2006 to March 2007, Ms. Zhang worked at Jiaxing Yihe Import and Export Trading Co., Ltd. (嘉興市億禾進出口貿易有限公司), a company mainly engaged in commodity distribution and import and export of technology. Ms. Zhang obtained a bachelor's degree in art designing from Zhejiang Sci-Tech University (浙江理工大學) in the PRC in June 2004.

JOINT COMPANY SECRETARIES

Ms. Leung Kwan Wai (梁君慧) ("**Ms. Leung**"), was appointed as one of the joint company secretaries of the Company on 8 October 2021 and is currently a senior manager of Company Secretarial Services of Tricor Services Limited, a leading services provider in Hong Kong. Ms. Leung has over 15 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Leung is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Mr. Wu Hao (吳昊) ("Mr. Wu"), was appointed as one of the joint company secretaries of the Company on 28 December 2024. Mr. Wu is currently an investment development manager of Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd.* (浙江智想大成物業服務集團有限公司), an indirect wholly-owned subsidiary of the Company. Mr. Wu joined the Group in 2020 and is responsible for, among other things, providing assistance in developing strategies and development plans of the Group, analysing and mapping out industry information and development trends in the market, analysis, evaluating and conducting due diligence on acquisition projects, etc. Mr. Wu has over 19 years of experience in the financial analysis and investment industry, where he has previously served as investment director or financial analyst of investment companies in the PRC prior to joining the Group. Mr. Wu obtained the certificate from the CFA Institute (Chartered Financial Analyst Institute) in September 2019 and has passed all the required subjects of the professional stage of the National Uniform CPA Examination of the PRC in November 2023. He obtained his Master of Business Administration from the Zhejiang University of Finance & Economics in June 2024 and his bachelor degree in finance management from the Shanghai University of International Business and Economics in July 2005.

REPORT OF THE DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries are provisions of property management services, value-added services and community value-added services in the PRC. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement on page 54 of this annual report.

DIVIDENDS

The Company has adopted a dividend policy, which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits, as dividends to the Shareholders.

The Board is committed to maintaining a stable dividend policy to ensure sustainable and steady returns for Shareholders. After considering the composition of the profit and cash flows of the Group, the Board do not recommend the payment of a final dividend for the year ended 31 December 2024.

BUSINESS REVIEW

A fair review of the Group's business, a discussion and analysis of the Group's performance during the year ended 31 December 2024, the material factors underlying its results and financial position and the likely future development are included in the section headed "Management Discussion and Analysis" from pages 6 to 18 of this annual report. Discussion details on the Group's environmental policies and performance are set out in the "Environmental Policies and Performance"; the status of the Group's compliance with the relevant laws and regulations that have material impact on the Group is set out in the section headed "Compliance with Laws and Regulations" below; and the description of the principal risks and uncertainties facing the Company are set out in the section headed "Management Discussion and Analysis". The aforesaid discussion forms a part of the Directors' Report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company will publish an Environmental, Social and Governance Report separately on the websites of the Company and the Stock Exchange.

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.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company which will be held on Saturday, 7 June 2025 (the "**Annual General 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 qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates should be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 18 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 2 June 2025.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 140 of this annual report.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the year ended 31 December 2024 are set out in note 17 to the consolidated financial statements.

BANK BORROWINGS

Details of the bank borrowings of the Group during the year ended 31 December 2024 are set out in note 26 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 23 to the consolidated financial statements.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders of the Company by reason of their holding of the shares of the Company.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2024 are set out in note 33(a) to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution under the Companies Laws of the Cayman Islands, consisted of share premium and retained earnings amounted to RMB296,902,000.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year.

SIGNIFICANT RELATIONSHIP WITH STAKEHOLDERS

Employees

As of 31 December 2024, the Group had a total number of 5,841 employees. During the year ended 31 December 2024, relationship between the Company and the employees remained stable. The Company did not experience any strikes or other labor disputes which would have material impact on the business activities of the Company.

Customers

The Group understands the importance of maintaining good relationship with customers. The Group has established internal policies and procedures to timely record, respond to and follow up with customers' complaints and feedback which allows the Group to expand its service offerings, and improve its communication methods and issue handling capabilities based on customer experiences.

Suppliers

During day-to-day operation and management, the Company maintained constant communication with the suppliers to understand their opinions and requirements and responded actively in order to enhance trust in partnering suppliers and strengthen bilateral cooperative relationship.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, both the percentage of purchases attributable to the Group's five largest suppliers and the percentage of revenue attributable to the Group's five largest customers were less than 30% of the total purchases and total revenue of the Group respectively.

DIRECTORS

The Directors of the Company during the year ended 31 December 2024 and up to the date of this annual report were:

Executive Directors

Mr. Zhu Hongge *(resigned on 26 July 2024)*
Mr. Bao Guojun *(resigned on 31 December 2024)*
Mr. Pang Bo *(resigned on 31 December 2024)*
Mr. Li Meng *(appointed on 10 December 2024)*
Mr. Xin Bing *(appointed on 10 December 2024)*

Non-executive Director

Mr. Huang Fuqing *(resigned on 12 August 2024)*
Ms. Ruan Hong *(appointed on 28 February 2025)*

Independent Non-executive Directors

Ms. Liang Yunxu *(resigned on 31 December 2024)*
Mr. Wang Huimin *(resigned on 31 December 2024)*
Mr. Wong Kwok Yin *(resigned on 31 December 2024)*
Mr. Zhang Chen *(appointed on 10 December 2024)*
Ms. Cui Yan *(appointed on 10 December 2024)*
Mr. Cai Sitao *(appointed on 10 December 2024)*

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 19 to 22 of this annual report.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year ended 31 December 2024.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Li Meng and Mr. Xin Bing has entered into service agreements with the Company on 10 December 2024 for a term of three years commencing on the date of the service agreements. Such service agreements may be terminated in accordance with the terms of the service agreements.

Each of the non-executive Director and the independent non-executive Directors, namely Ms. Ruan Hong, Mr. Zhang Chen, Ms. Cui Yan and Mr. Cai Sitao, was appointed to the Board pursuant to their respective letters of appointment dated 28 February 2025 (with respect to Ms. Ruan Hong) and 10 December 2024 (with respect to Mr. Zhang Chen, Ms. Cui Yan and Mr. Cai Sitao), respectively. Each of the non-executive Director and independent non-executive Directors was appointed for an initial term of three years commencing from the date of the letters of appointment, and such appointment may be terminated in accordance with the terms of the letters of appointment.

All the Directors are subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the Articles of Association of the Company.

No Directors proposed for re-election at the Annual General Meeting of the Company has a service contract that is not determinable within one year without payment of compensation, other than statutory compensation.

Each of the executive Directors is entitled to a basic salary pursuant to their respective service agreements, which is determined with reference to their responsibilities, experience, performance and the prevailing market conditions. In addition, each of them is entitled to a bonus of such amount as the Board may determine in respect of each complete financial year of the Company. The non-executive Director is not entitled to any emolument from the Group for services provided to the Company in her capacity as a non-executive Director.

Each of the independent non-executive Directors is entitled to a director's fee pursuant to his/her letters of appointment, which is determined with reference to his/her responsibilities, experience, performance and the prevailing market conditions. Save for director's fee, each of the independent non-executive Directors is not expected to receive any other remuneration and benefits for holding his/her office as independent non-executive Director respectively.

REMUNERATION OF THE DIRECTORS

Details of remuneration of the Directors during the year ended 31 December 2024 are set out in note 12 to the consolidated financial statements.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the three independent non-executive Directors, a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent in accordance with Rule 3.13.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors had any direct or indirect interest in a business which competed or might compete with the business of the Group as required to be disclosed under Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

None of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during or at the end of the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, Directors, managing directors, alternate Directors, auditors, secretary and other officers for the time being of the Company and the trustees for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts.

The Company has also arranged appropriate directors' and officers' liability insurance for the Directors and officers of the Group.

SHARE SCHEMES

During the year ended 31 December 2024, the Company had no share option scheme or share award scheme.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

None of the Directors and chief executive of the Company and their respective close associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2024.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

So far as the Directors are aware as of 31 December 2024, the following persons (other than the Directors or chief executive of the Company) had the following interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO or required to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

Name of substantial Shareholder	Nature of interest	Number of shares or securities held	Approximate percentage of interest in the Company
Valuable Capital Group Limited ("**VCGL**")	Interest in controlled corporation	456,162,046 (L)[(2)]	73.59%
Consolidated Capital Group Holding Limited ("**CGHL**")	Interest in controlled corporation	456,162,046 (L)[(2)]	73.59%
Valuable Capital Limited ("**VCL**")	Beneficial owner	450,000,000 (L)[(2)]	73.56%
	A concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	162,046 (L)[(2)]	0.03%
Linkto Tech Limited ("**Linkto**")	A concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	450,000,000 (L)[(3)]	73.56%
	Beneficial owner	162,046 (L)[(2)]	0.03%
First Leading Trading Limited	Beneficial owner	32,124,000 (L)	5.25%

Notes:

(1) The letter "L" denotes the person's long position in the shares of the Company. The letter "S" denotes the person's short position in the shares of the Company.

(2) As at 31 December 2024, VCL is directly and wholly owned by CGHL, which is in turn directly and wholly owned by VCGL. Accordingly, each of CGHL and VCGL is deemed to be interested in the 456,162,046 Shares held by VCL by virtue of Part XV of the SFO.

(3) As at 31 December 2024, Linkto and VCL are concert parties to an agreement to buy shares described in s.317(1)(a) of the SFO, and accordingly, pursuant to s.317 and s.318 of the SFO, Linkto is deemed to be interested in the 450,000,000 Shares beneficially owned by VCL and VCL is deemed to be interested in the 162,046 Shares beneficially owned by Linkto.

(4) As at 31 December 2024, the total number of issued shares of the Company was 611,709,000.

Save as disclosed above, as at the date of this report, the Directors are not aware of any person who had an interest or short position in the shares and the underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

RELATED PARTY TRANSACTIONS

The Group entered into certain related party transactions with related parties during the year ended 31 December 2024 which constituted connected transactions or continuing connected transactions of the Group, details of which are set out in note 32 to the consolidated financial statements. They do not constitute notifiable connected transaction under the Listing Rules.

There was no connected transaction entered into by the Group for the year ended 31 December 2024 which is required to be disclosed under the Listing Rules, and the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

EMOLUMENT POLICY

A Remuneration Committee was set up to make recommendations on the Company's emolument policy and structure for all remuneration of the Directors and senior management of the Group on the basis of their merit, qualifications and competence.

None of the Directors waived any emoluments during the year ended 31 December 2024.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules as at the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed 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.

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 assistance 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.

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

The Company is not aware of any other changes which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Company. Information on the work of the Audit Committee and its composition are set out in section headed "Corporate Governance Report" on pages 33 to 46 of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code for the year ended 31 December 2024.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" in this annual report.

CHANGE OF AUDITORS

Resignation of PricewaterhouseCoopers ("PwC")

As disclosed in the announcement of the Company dated 7 March 2023, PwC has tendered resignation as the auditor of the Company with effect from 6 March 2023.

With the recommendation of the Audit Committee, the Board has resolved to appoint Messrs. Elite Partners CPA Limited as the new auditor of the Company with effect from 6 March 2023 and to hold office until the conclusion of the forthcoming annual general meeting. Please refer to the announcement of the Company dated 7 March 2023 for further details.

Resignation of Elite Partners CPA Limited ("Elite Partners") and appointment of RSM Hong Kong ("RSM")

With effect from 9 September 2024, Elite Partners has resigned as the auditors of the Company. Prior to the resignation of Elite Partners, the Company noted that Elite Partners is no longer able to undertake audit services for domestic enterprises listed outside the Mainland for a period of 5 years following a regulatory decision from the Ministry of Finance of the People's Republic of China and has made relevant enquiries with Elite Partners.

With the recommendation of the Audit Committee, the Board has resolved to appoint RSM as the new auditor of the Company with effect from 10 September 2024 and to hold office until the conclusion of the forthcoming annual general meeting. At the annual general meeting of the Company on 16 February 2025, RSM has been re-appointed as the auditors of the Company. Please refer to the announcement of the Company dated 10 September 2024 for further details.

Save as disclosed, there had been no other change of auditors of the Company in the preceding three years.

On behalf of the Board
Li Meng
Executive Director

Hong Kong, 31 March 2025

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended 31 December 2024.

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 in this report.

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 as the code of conduct for securities transactions by directors and employees who are likely to be in possession of unpublished inside information of the Company.

The Company, after making specific inquiries to all Directors, confirmed that all of them have complied with the required standards in the Model Code for the year ended 31 December 2024.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors in advance.

BOARD OF DIRECTORS

The powers and duties of the Board include convening general meetings and reporting the Board's work at the Shareholders' meetings, determining business and investment plans, preparing the annual financial budgets and financial reports of the Company, formulating proposals for profit distributions and exercising other powers, functions and duties as conferred by the Articles of Association of the Company.

Composition of the Board

As at 31 December 2024, the Board comprised the following Directors:

Executive Directors
Mr. Li Meng *(Chairman) (appointed on 10 December 2024)*
Mr. Xin Bing *(appointed on 10 December 2024)*

Non-executive Director
Ms. Ruan Hong *(appointed on 28 February 2025)*

Independent Non-executive Directors
Mr. Zhang Chen *(appointed on 10 December 2024)*
Ms. Cui Yan *(appointed on 10 December 2024)*
Mr. Cai Sitao *(appointed on 10 December 2024)*

The biographical information of the Directors as of the date of this annual report is set out in the section headed "Directors and Senior Management" on pages 19 to 22 of this annual report.

Saved as disclosed herein and to the best knowledge, information and belief of the Directors, each of the Directors has no financial, business, family or other material/relevant relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

The list of Directors (by category) is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules. A list of the Directors identifying their roles and functions is also available on the Company's website at http://jy-fw.cn/ and on the website of the Stock Exchange.

Chairman and Chief Executive Officer

According to code provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. 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 are made in consultation with members of the Board and relevant Board committee, and there are 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.

Independent non-executive Directors

During the year ended 31 December 2024, the Company has at all times complied with the requirements of the Listing Rules to have at least three independent non-executive Directors representing at least one-third of the Board with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

Each of the three independent non-executive Directors has confirmed his/her independence and the Company considers each of them to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

Non-executive Director and Directors' Re-Election

Code provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors (including the non-executive Directors) is appointed for a specific term of three years and is subject to retirement by rotation at least once every three years. The Articles of Association of the Company requires that at each annual general meeting one-third of the Directors for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company, oversees the overall operational, management and strategic planning of the Group and provide guidance and formulate business strategies for the overall development of the Group and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors shall have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management (including ESG risks), material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the day-to-day operations and management of the business are delegated to the management.

The Board has established the Group's purpose, values and strategy, and has satisfied itself that the Group's culture is aligned. Acting with integrity and leading by example, the Directors promote the desired culture to instill and continually reinforce across the Group the values of acting lawfully, ethically and responsibly.

Continuous Professional Development of Directors

Directors shall keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The Directors confirmed that they have complied with code provision C.1.4 of the CG Code on directors' training. During the year ended 31 December 2024, each of the executive Directors and the independent non-executive Directors has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 5 December 2024 in relation to the relevant requirements of the Listing Rules, duties of directors of companies listed in Hong Kong and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and each of the executive Directors and the independent non-executive Directors has confirmed he/she understood his/her obligations as a director of a listed issuer. Ms. Ruan Hong, the non-executive Director has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 27 February 2025 in relation to the relevant requirements of the Listing Rules, duties of directors of companies listed in Hong Kong and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and she has confirmed she understood her obligations as a director of a listed issuer.

The record of continuous professional development relating to directors' duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2024 are summarized as follows:

Name of Directors	Type of Training[1]
Executive Directors	
Mr. Li Meng *(Chairman)*	A
Mr. Xin Bing	A
Non-executive Director	
Ms. Ruan Hong *(appointed on 28 February 2025)*	A
Independent Non-executive Directors	
Mr. Zhang Chen	A
Ms. Cui Yan	A
Mr. Cai Sitao	A

Notes:

(1) Types of Training:

A: Attending training relevant to the Company's business conducted by lawyers

Board Meetings and Directors' Attendance Record

Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings. For other Board meetings, reasonable notice will generally be given. All Board committee meetings require a notice of at least fourteen days to be given, unless such notification is waived by all members of the respective Board committees. The agenda and accompanying Board papers are dispatched to the Directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

Minutes of the Board meetings and Board committee meetings are/will be recorded in sufficient detail to include the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

Code provision C.5.1 of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2024, 10 Board meetings were held.

The attendance record of each Director at the Board and Board Committee meetings and general meetings of the Company held during the year ended 31 December 2024 is set out in the table below:

Name of Director	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting[9]
Mr. Zhu Hongge[1]	3/10	N/A	N/A	1/3	–
Mr. Bao Guojun[2]	10/10	N/A	N/A	N/A	–
Mr. Pang Bo[3]	10/10	N/A	2/2	1/3	–
Mr. Huang Fuqing[4]	3/10	N/A	N/A	N/A	–
Ms. Liang Yunxu[5]	10/10	8/8	2/2	2/3	–
Mr. Wang Huimin[6]	10/10	8/8	2/2	N/A	–
Mr. Wong Kwok Yin[7]	10/10	8/8	N/A	2/3	–
Mr. Li Meng[8]	1/10	N/A	N/A	1/3	–
Mr. Xin Bing[8]	1/10	N/A	N/A	N/A	–
Ms. Cui Yan[8]	1/10	0/8	0/2	1/3	–
Mr. Zhang Chen[8]	1/10	0/8	0/2	1/3	–
Mr. Cai Sitao[8]	1/10	0/8	0/2	1/3	–

Notes:

(1) Then Chairman of the Board and Chairman of Nomination Committee, who resigned on 26 July 2024.

(2) Mr. Bao Guojun resigned as executive Director on 31 December 2024.

(3) Mr. Pang Bo resigned as Chairman of the Nomination Committee on 10 December 2024 and executive Director on 31 December 2024.

(4) Mr. Huang Fuqing resigned as non-executive Director on 12 August 2024.

(5) Ms. Liang Yunxu resigned as Chairman of the Remuneration Committee and member of the Audit Committee and the Nomination Committee on 10 December 2024 and independent non-executive Director on 31 December 2024.

(6) Mr. Wang Huimin resigned as member of the Audit Committee and the Remuneration Committee on 10 December 2024 and independent non-executive Director on 31 December 2024.

(7) Mr. Wang Kwok Yin resigned as Chairman of the Audit Committee and member of the Nomination Committee on 10 December 2024 and independent non-executive Director on 31 December 2024.

(8) Each of Mr. Li Meng, Mr. Xin Bing, Ms. Cui Yan, Mr. Zhang Chen and Mr. Cai Sitao was appointed as Director on 10 December 2024.

(9) No general meeting was held during the year ended 31 December 2024.

None of the meetings set out above was attended by any alternate Director.

BOARD INDEPENDENCE

The Company has established mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board. The mechanisms include (i) all Directors are entitled to retain independent professional advisors as and when it is required, (ii) all Directors are encouraged to express their views in an open and candid manner during the Board meetings, (iii) the Chairman of the Board will meet with the Independent Non-executive Directors at least annually without the presence of the Executive Directors, (iv) no equity-based remuneration with performance related elements will be granted to Independent Non-executive Directors, (v) all Independent Non-executive Directors are required to submit a written confirmation to the Company annually to confirm their independence; (vi) each Independent Non-executive Director will be assessed his/her independence before appointment and the continued independence of the long-serving Independent Non-executive Director on an annual basis; and (vii) at least one-third of the Board are Independent Non-executive Directors.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

Audit Committee

As at 31 December 2024, the Audit Committee consists of three members, namely, Ms. Cui Yan, Mr. Zhang Chen and Mr. Cai Sitao, all of whom are the independent non-executive Directors. Ms. Cui Yan is the chairman of the Audit Committee and the independent non-executive Director with the appropriate professional qualifications.

The primary duties of the Audit Committee include, but not limited to (i) review and monitor the financial reporting process, risk management and internal control system, and internal audit functions of the Company; (ii) provide advice and comments to the Board; and (iii) perform other duties and responsibilities as may be assigned by the Board.

During the year ended 31 December 2024, 8 Audit Committee meetings were held to review the interim and annual financial results and report, major internal audit issues, re-appointment of external auditors, relevant scope of works and the effectiveness of the risk management and internal control systems of the Group.

The Audit Committee also met the external auditors four times during the year ended 31 December 2024 without the presence of the executive Directors. There is no disagreement between the Board and the Audit Committee regarding the re-appointment of the external auditor.

Remuneration Committee

As at 31 December 2024, the Remuneration Committee consists of three members, namely, Mr. Zhang Chen and Ms. Cui Yan, the independent non-executive Directors, and Mr. Li Meng, the executive Director. Mr. Zhang Chen is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include, but not limited to (i) establishing, reviewing and providing advices to the Board on the policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management; (iii) reviewing and approving the management's remuneration proposals by reference to corporate goals and objectives resolved by the Directors from time to time; and (iv) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2024, 2 Remuneration Committee meetings were held to review the remuneration packages of Directors.

Nomination Committee

As at 31 December 2024, the Nomination Committee consists of four members, namely Mr. Li Meng, the executive Director, Mr. Zhang Chen, Ms. Cui Yan and Mr. Cai Sitao, the independent non-executive Directors. Mr. Li Meng is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, but not limited to (i) review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of the Board; (ii) identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, and ensure the diversity of the Board members; (iii) assess the independence of the independent non-executive directors; and (iv) make recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors and succession planning for the Directors.

During the year ended 31 December 2024, 3 Nomination Committee meeting was held while the Nomination Committee dealt with matters by way of circulation to review structure, size and composition of the Board, identify and select suitable candidates for directorships, assess the independence of the independent non-executive Directors, and review the policy on Board diversity.

Board Diversity Policy

The Company recognises the benefits of having a diversified Board. The Company has adopted a board diversity policy with the aim of achieving an appropriate level of diversity among Board members according to the circumstances of the Group from time to time. In summary, the board diversity policy sets out that when considering the nomination and appointment of a Director, with the assistance of the Nomination Committee, the Board would consider a range of diversity of perspectives, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender and the potential contributions that the candidate is expected to bring to the Board, in order to better serve the needs and development of the Company. All Board appointments will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity to the Board.

The Nomination Committee is responsible for reviewing the board diversity policy from time to time to ensure its continued effectiveness. At present, the Nomination Committee considered that the Board is sufficiently diverse, and the Board has not set any measurable objectives.

The Nomination Committee was of the opinion that the Board consisted of members with diversified gender, age, cultural and education background, professional experience and skills and that it has achieved gender diversity by having Board members of both gender and the Company will endeavor to continue to maintain at least one female member on the Board. The Board places emphasis on diversity (including gender diversity) across all levels of the Group. As at 31 December 2024, approximately 56% of the full time employees are male and approximately 44% are female. The Board considers that gender diversity in the workforce (including senior management) is currently achieved.

REMUNERATION OF SENIOR MANAGEMENT

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2024 is set out below:

Remuneration Band (RMB)	Number of Person
300,000 – 650,000	4

CORPORATE GOVERNANCE FUNCTIONS

The Board, with the assistance from the Audit Committee, is responsible for performing the functions set out in the code provision A.2.1 of the CG Code, including:

- developing and reviewing the Company’s corporate governance policies and practices;
- reviewing and monitoring training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors; and
- reviewing the Company’s compliance with the CG Code and the disclosure in this corporate governance report.

For the year ended 31 December 2024, the Board has performed the above duties.

DIRECTOR NOMINATION CRITERIA AND PROCEDURES

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would assess the candidates on criteria such as qualifications, skills, knowledge, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity. The recommendations of the Nomination Committee will then be put to the Board for decision.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Company is exposed to various risks during its operations. The Company has established risk management and internal control systems with relevant policies, procedures and programs to provide reasonable assurance for achieving objectives such as effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

The Company's risk assessment is mainly carried out through five basic procedures, including the establishment of risk management concepts and risk acceptance, target setting, risk identification, risk analysis and risk countermeasures. The Company will weigh risks and benefits based on the results of risk analysis, combined with the causes and tolerance of risks, and choose risk response plans: avoiding risks, accepting risks, reducing risks or sharing risks. The Company will prepare risk management plans targeting various risks or each category of material risks, according to the risk response strategies. The plan generally includes the specific objectives of risk resolution, the required organisational leadership, the management and business processes involved, the required conditions and means and other resources, the specific response measures to be taken before, during and after the risk event, and risk management tools.

The Company's branches are the first line of defense for risk management, which are the executive agencies of risk management operations, responsible for the construction, implementation and maintenance of the risk management system, and strictly carry out corresponding work in accordance with the requirements of the Company. The Company's functional management departments and the legal department (risk control function) are the second line of defense for risk management. The internal audit department (risk control function), as the central management department for risk management and internal control, is responsible for formulating risk management strategies and plans, compiling risk management and internal control work plans, organising and promoting the development of risk management and internal control work, preparation of annual risk management report, inspection and evaluation of the development of risk management and internal control of subsidiaries, follow-up of the Company's risk management measures for high-risk businesses and important risks, and timely report to the Company's risk management committee. The Company's internal audit department (internal audit function) is the third line of defense for risk management, which independently supervises, evaluates and audits the Company's operation and management.

The Company has formulated reasonable and effective internal control measures, including:

(1) Establish an authorisation system for internal control positions. For each position involved in internal control, clearly stipulate the authorised objects, conditions, scope and amount of authorisation, and no organisation or individual shall make risky decisions beyond authorisation;

(2) Establish an internal control reporting system. Clearly stipulate the reporter and the receiver, the time, content, frequency, transmission route of the report, the department and personnel responsible for processing the report;

(3) Establish an internal control permitted system. For important matters involved in internal control, clearly stipulate the permitted procedures, conditions, scope and quota, necessary documents, and the departments and personnel authorised to approve and their corresponding responsibilities;

(4) Establish an internal control responsibility system. In accordance with the principle of unification of rights, obligations and responsibilities, clearly stipulate the responsibilities and rewards and punishment systems of relevant departments and business units, positions and personnel;

(5) Establish an internal control audit and inspection system. Combined with the relevant requirements, methods, standards and procedures of internal control, clearly stipulate the object, content, method of audit and inspection, and the department responsible for audit and inspection.

The risk management system and internal control measures are designed to manage rather than eliminate the risk of failing to achieve business objectives (such risks would include, amongst others, material risks relating to environmental, social and governance ("**ESG**")), and can only provide reasonable but not absolute protection against material misstatements or losses.

The Board is responsible for overseeing and managing the risks associated with the business and the Group's ESG performance, maintaining adequate and effective risk management and internal control systems of the Company on an ongoing basis and reviewing their effectiveness at least annually. The Board, through the Audit Committee, has conducted a review of, and is satisfied with the effectiveness of the risk management and internal control systems of the Company, including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function. The Board considers that such systems are effective and adequate as a whole.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024. The senior management of the Company has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

Save as disclosed, the Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 47 to 53 of this annual report.

AUDITOR'S REMUNERATION

The Company's independent auditor is RSM Hong Kong. For the year ended 31 December 2024, the remuneration paid or payable by the Group to independent auditors is set as below:

Service Category	Fees Paid/Payable *RMB' 000*
Current Auditor	
Audit services	2,300

COMPANY SECRETARY

Ms. Leung Kwan Wai of Tricor Services Limited, an external service provider, was appointed as one of the joint company secretaries of the Company since 8 October 2021. Mr. Wu Hao was appointed as one of the joint company secretaries of the Company since 28 December 2024. Mr. Wu is the primary contact person of Ms. Leung.

Each of the joint company secretaries has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2024 pursuant to Rule 3.29 of the Listing Rules.

WHISTLEBLOWING POLICY

During the year ended 31 December 2024, the Company has established whistleblowing policies which provide employees and the relevant third parties who deal with the Group (e.g. customers, suppliers and other service providers) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the designated person of the Group. All reported matters will be investigated independently and all information received from a whistleblower and its identity will be kept confidential.

ANTI-CORRUPTION POLICY

The Company established an anti-corruption policy which outline the guidelines and standards of conducts in relation to the anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, through an appropriate reporting channel. The Group would not tolerate all forms of fraud and corruption among all employees and in its business dealing with third parties.

SHAREHOLDER'S RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting ("EGM") and Putting Forward Proposals

Pursuant to Article 58 of the Articles of Association of the Company, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the joint company secretaries of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Room 3601-06, 36/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Hong Kong (For the attention of the Board of Directors)
Email:	jyfw@jy-fw.cn

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The Company will also invite representatives of the auditors to attend its annual general meeting to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditors' independence, if any.

Policies Relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. The Board has reviewed the implementation and effectiveness of the communication policy, and having considered the multiple channels of communication and engagement in place, it is satisfied that the shareholders' communication policy has been implemented during the year and is effective.

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

CONSTITUTIONAL DOCUMENTS

No change has been made to the Company's Memorandum and Articles of Association during the year ended 31 December 2024.

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To the Shareholders of Jiayuan Services Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Jiayuan Services Holdings Limited (the "**Company**"), and its subsidiaries (the "**Group**") set out on pages 54 to 139, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

The key audit matters we identified are:

1. Impairment assessment of trade receivables

2. Impairment assessment of goodwill

KEY AUDIT MATTERS *(Continued)*

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment assessment of trade receivables Refer to Note 2.12, Note 3.1.2, Note 4(a) and Note 21(a) to the consolidated financial statements. As at 31 December 2024, the net trade receivables amounted to approximately RMB350,920,000, which accounted for 51% of the total assets of the Group. The management of the Group estimates the amount of lifetime expected credit losses ("**ECL**") of the trade receivables due from independent third parties based on the provision matrix through the grouping of various debtors that have similar loss patterns and considering the past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. For trade receivables due from related parties/former related parties, the management of the Group estimates the lifetime ECL by referring to external credit ratings and adjusting these ratings to reflect current and forward-looking information on macroeconomic factors that could affect the ability of the related parties/former related parties to settle the receivables. We identified impairment assessment of trade receivables as a key audit matter due to the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables at the end of the reporting period. The ECL on trade receivables as at 31 December 2024 amounted to approximately RMB293,310,000.	Our procedures in relation to this matter included: – Understanding and assessing the management's processes and internal controls for evaluating credit loss provisions for trade receivables, and assess the inherent risk of material misstatement by considering the degree of estimation uncertainty and inherent risk factors; – Reviewing and testing through sampling the appropriateness of the input data and models used by management for calculating credit provisions. This includes evaluating the aging analysis, past loss experience, and macroeconomic factors, as well as the reasonableness of management's grouping of trade receivables based on shared credit risk characteristics for the assessment of ECL provisions; – Independently assessing the credit status of trade receivables due from related parties/former related parties for more in-depth analysis and compare it with management's assessments; – Evaluating the differences between management's historical estimates and actual results for credit loss provisions, and analyses the reasons for any significant differences; – With the assistance of the auditor's valuation experts, challenge management's benchmarks and judgments used in determining credit loss provisions for trade receivables, including: • Estimating and assessing loss rates for related parties/former related parties; • The basis of estimated loss rates applicable to different categories within the provision matrix. – Considering external market and industry changes that might affect the recoverability of trade receivables, and evaluate whether management has adequately considered the impact of these changes on credit loss provisions; – Comparing new information or subsequent events during the audit period to assess their impact on the receivables valuation, to determine if additional provisions are necessary; and – Evaluating the reasonableness of forward-looking adjustments made to reflect current and forecasted economic conditions based on publicly available information.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill Refer to Note 2.10, Note 4(b) and Note 18 to the consolidated financial statements. As at 31 December 2024, included in the Group's intangible assets was goodwill with the carrying amount of approximately RMB92,205,000 arising from the acquisitions of property management companies, which accounted for 13% of the total assets of the Group. Management is required to undertake goodwill impairment review at least annually or whenever there is impairment indicator. The recoverable amount of cash-generating unit ("**CGU**") to which the goodwill is allocated is based on the value in use of the CGU. Management has engaged an independent external valuer to assist in determining the value in use of the CGU. The impairment assessment is a judgemental process, requiring estimates in respect of the forecast future cash flows associated with the CGU, including the growth rate for revenue, gross profit margins, and the discount rate. Management has concluded that there is no impairment in respect of the goodwill allocated to the CGU for the year ended 31 December 2024 as the CGU's recoverable amounts exceeded its carrying amounts.	Our procedures in relation to this matter included: – Understanding and assessing the accounting policies, processes, and internal controls related to the impairment assessment of goodwill; – Understanding of the business, evaluate the reasonableness of management's allocation of goodwill to each CGU; – Assessing the method used by management to determine the recoverable amounts of the CGU during the impairment assessment; – On a sampling basis, checking the accuracy and relevance of input data and evidence, such as approved budgets, and compare these budgets with past performance and market data to assess the reasonableness of the forecasts; – Evaluating the appropriateness of the cash flow forecasts used in calculating the recoverable amounts of the CGU, and challenge the reasonableness of management's assumptions (such as future revenue growth rates, gross profit margins, terminal growth rates, and discount rates) based on our knowledge of the relevant business and industry; – Assessing the qualifications and independence of the external valuer; – Collaborating with the auditor's valuation experts to review the appropriateness of the valuation approach and methodology, the accuracy of the calculations in the valuation model, and the reasonableness of the components comprising the discount rate compared to market data; and – Assessing the adequacy of related disclosures in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the Group's consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Tak Man, Stephen.

RSM Hong Kong
Certified Public Accountants

31 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2024 *RMB'000*	2023 *RMB'000*
Revenue	6	858,780	868,211
Cost of services and sales		(617,834)	(626,136)
Gross profit		240,946	242,075
Other income and expenses, net	8	(8,926)	4,650
Other gains and losses, net	9	3,501	5,183
Impairment losses on financial assets	3.1.2	(87,174)	(100,035)
Reversal of loss/(loss) on unauthorised Pledged Shares	27	2,453	(11,833)
Loss on unauthorised guarantee	27	(29,340)	(123,000)
Selling and marketing expenses		(7,022)	(7,582)
Administrative expenses		(80,816)	(64,746)
Finance costs	13	(1,190)	(1,682)
Share of results of an associate	19	(73)	20
Profit/(loss) before taxation		32,359	(56,950)
Income tax expense	14	(19,067)	(20,444)
Profit/(loss) and total comprehensive income/(expense) for the year	10	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	15	0.01	(0.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property and equipment	17	22,692	25,782
Right-of-use assets		2,301	–
Intangible assets	18	111,340	120,816
Interest in an associate	19	1,435	1,508
Deferred income tax assets	28	68,758	48,935
		206,526	197,041
Current assets			
Inventories		680	571
Trade and other receivables	21	414,548	377,920
Restricted bank deposits	22	2,515	3,241
Cash and cash equivalents	22	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	23	5,225	5,225
Reserves	24	(135,683)	(143,840)
		(130,458)	(138,615)
Non-controlling interests		22,390	26,814
Total deficit in equity		(108,068)	(111,801)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024	2023
	Note	*RMB'000*	*RMB'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings	26	6,454	18,558
Lease liabilities		1,826	–
Deferred income tax liabilities	28	1,086	1,234
		9,366	19,792
Current liabilities			
Contract liabilities	7	121,664	130,962
Bank borrowings	26	12,127	11,338
Lease liabilities		434	–
Provisions	27	199,202	172,315
Trade and other payables	25	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

The consolidated financial statements on pages 54 to 139 were approved and authorised for issue by the Board of Directors on 31 March 2025 and were signed on its behalf.

Li Meng
Director

Xin Bing
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Share capital *RMB'000* (Note 23)	Reserves *RMB'000* (Note 24)	Total *RMB'000*	Non-controlling interests *RMB'000*	Total deficit in equity *RMB'000*
Balance at 1 January 2024	**5,225**	**(143,840)**	**(138,615)**	**26,814**	**(111,801)**
Total comprehensive income:					
Profit for the year	**–**	**8,157**	**8,157**	**5,135**	**13,292**
Transactions with owners in their capacity as owners:					
Dividend paid	**–**	**–**	**–**	**(5,638)**	**(5,638)**
Disposals of interest in subsidiaries to non-controlling interests (Note 29(d))	**–**	**–**	**–**	**(1,079)**	**(1,079)**
Share reduction of a subsidiary	**–**	**–**	**–**	**(2,842)**	**(2,842)**
Balance at 31 December 2024	**5,225**	**(135,683)**	**(130,458)**	**22,390**	**(108,068)**
Balance at 1 January 2023	5,225	(62,983)	(57,758)	23,639	(34,119)
Total comprehensive (expense)/ income:					
(Loss)/profit for the year	–	(80,914)	(80,914)	3,520	(77,394)
Transactions with owners in their capacity as owners:					
Repurchase of shares of a subsidiary from non-controlling interests	–	57	57	(345)	(288)
Balance at 31 December 2023	5,225	(143,840)	(138,615)	26,814	(111,801)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	29(a)	**43,202**	61,756
Income tax paid		**(6,567)**	(12,845)
Net cash generated from operating activities		**36,635**	48,911
Cash flows from investing activities			
Purchases of property and equipment	17	**(3,659)**	(10,300)
Disposals of subsidiaries	29(d)	**(2,357)**	(441)
Proceeds from disposals of property and equipment	29(b)	**146**	258
Interest received		**219**	237
Net cash used in investing activities		**(5,651)**	(10,246)
Cash flows from financing activities			
Payments on leases	29(c)	**(127)**	(51)
Interests paid on bank borrowings		**(1,196)**	(1,705)
Repayment of bank borrowings		**(11,302)**	(11,302)
Repurchase of shares of a subsidiary from non-controlling interests		**-**	(288)
Dividends paid to non-controlling interests	29(c)	**(5,638)**	–
Net cash used in financing activities		**(18,263)**	(13,346)
Net increase in cash and cash equivalents		**12,721**	25,319
Cash and cash equivalents at beginning of the year		**48,041**	22,722
Cash and cash equivalents at end of the year	22	**60,762**	48,041

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 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"). The principal activities of its subsidiaries are set out in Note 34 to the consolidated financial statements.

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.

1 GENERAL INFORMATION AND REORGANISATION *(Continued)*

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 MATERIAL ACCOUNTING POLICIES INFORMATION

This note provides a list of the material accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 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, unless mentioned otherwise in the accounting policies below (e.g. contingent consideration payable that are measured at fair value).

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.1 Basis of preparation *(Continued)*

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, as detailed in Note 27(a), 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 deconsolidated 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 are 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.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Going concern basis (Continued)

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 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.2 New and revised 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.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.2 New and revised standards (Continued)

(b) New and amended standards 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.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

2.2.2 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

2.2.3 Equity method

Under the equity method of accounting, interest in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of associate in profit or loss, and the Group's share of movements in other comprehensive income of associate in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.2 Principles of consolidation and equity accounting *(Continued)*

2.2.3 Equity method (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of an associate' in consolidated statement of comprehensive income.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.4 Changes in ownership interests in subsidiaries and associate

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRS Accounting Standards.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.3 Business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of comprehensive income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are, with limited exceptions, recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of comprehensive income as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.4 Separate financial statements

An investment in a subsidiary is accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The result of subsidiary is accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investment in a subsidiary is required upon receiving dividends from this investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions. The Group's customers include property owners, property developers, residents and tenants (collectively "Customers") and they are all located in the PRC. No geographical segment of Customers is disclosed.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'Other gains and losses, net'.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.6 Foreign currency translation *(Continued)*

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

2.7 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.7 Leases *(Continued)*

The Group as a lessee (Continued)

Payments associated with short-term leases of equipment and vehicles and leases of low value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group's right-of-use assets consist of various leases for properties. Right-of-use assets resulted from lease payments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost represents consideration paid for the rights to use the properties and other direct related costs from the date when the respective rights were granted. Depreciation of lease payments is calculated on a straight-line basis over the lease terms and is charged to the consolidated statement of comprehensive income.

2.8 Property and equipment

Property and equipment are held for use in the production or supply of goods or services or for administrative purposes. Property and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.8 Property and equipment *(Continued)*

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Office equipment	3-5 years
Motor vehicles	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and loss on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains and losses, net" in the consolidated statement of comprehensive income.

2.9 Intangible assets

(a) 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 an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating unit ("CGU") for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units 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.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.9 Intangible assets *(Continued)*

(b) Property management contracts

Property management contracts acquired in business combinations are recognised at fair value at the acquisition date. The property management contracts have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of the contracts. The Group determined the property management contracts to have useful lives of 3-10 years based on the historical renewal pattern.

(c) Software

Acquired software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 10 years.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the present value of the estimated future cash flows of the assets. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the assets whose impairment is being measured.

For the purposes of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.11 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and loss will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVTOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.11 Financial assets *(Continued)*

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of comprehensive income.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI.

- FVTPL: Assets that do not meet the criteria for amortised cost or financial assets at FVTOCI are measured at FVTPL.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.12 Impairment of financial assets

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECL are estimated on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(a) General approach

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Financial assets at amortised cost under the general approach are classified within the following stages for measurement of ECL.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECL

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECL

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECL

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.12 Impairment of financial assets *(Continued)*

(b) Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECL. Under the simplified approach, the Group recognises a loss allowance based on lifetime ECL at each reporting date.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Inventories

Inventories comprise goods and consumables which are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Trade and other receivables

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade receivables are amounts due from Customers for services provided in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.11 for further information about the Group's accounting for trade receivables and other receivables and Notes 2.12 and 3.1.2 for a description of the Group's impairment policies.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.16 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.17 Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Financial liabilities

Financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument, as set out in the accounting policies below.

The Group derecognises financial liabilities when, and only when, the Group's obligation are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Any contingent consideration payable is measured at fair value at the date of acquisition. It is remeasured at fair value at each reporting date and its subsequent change in the fair value is recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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 end of 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 at the reporting date.

2.21 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

– the amount determined in accordance with the ECL model under HKFRS 9 and

– the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

For ECL, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.22 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred income tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.22 Current and deferred income tax *(Continued)*

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the jurisdictions where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the companies are able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.23 Employee benefits

(a) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) *Pension obligations*

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

There was no forfeited contribution utilised to offset employers' contributions for the year ended 31 December 2024, and there was no forfeited contribution available to reduce the contribution payable in the future years as at 31 December 2024.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(c) *Housing funds, medical insurances and other social insurances*

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurances. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.24 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

2.25 Revenue recognition

The Group provides property management services, value-added services to property developers and community value-added services. Revenue is recognised in the accounting period in which the services are rendered or goods are delivered, and the collectability of related consideration is probable.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the services are provided to the customer, the Group presents the amount as a contract liability when the payment is received or a receivable is recorded (whichever is earlier).

(a) Property management services

The Group bills a fixed amount for services provided on a regular basis and recognises as revenue the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.25 Revenue recognition *(Continued)*

(a) Property management services (Continued)

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primary responsible for providing the property management services to Customers, the Group recognises the fee received or receivable from Customers as its revenue. For property management services income from properties managed under commission basis, the Group recognises the commission, which is calculated by pre-determined percentage of the total property management fee or amounts received or receivable from Customers, as its revenue as an agent for arranging and monitoring the services.

(b) Value-added services to property developers

Value-added services to property developers mainly include consultancy services to property developers and cleaning, greening, repair and maintenance services to property developers at the property pre-delivery stage. The Group agrees the price for each service with the Customers upfront and issue the monthly bill to the Customers which varies based on the actual level of service completed in that month.

(c) Community value-added services

These include home living services, community area services such as catering services and sales of goods (mainly groceries and home appliances) to Customers. For provision of home living services, revenue is recognised when the related services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered. For provision of community area services such as sales of goods and catering, revenue is recognised when the Group has delivered the goods and catering to the Customers.

2.26 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2 MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.28 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the shareholders or directors, where appropriate.

2.29 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.30 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(a) Foreign exchange risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities in RMB. Accordingly, the Group is not exposed to significant foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings which carry interest at prevailing market interest rates. Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

The sensitivity analysis below has been determined based on the exposure to interest rates for floating-rate bank borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the respective reporting period. A 100 basis points (2023: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rate.

No sensitivity analysis is provided on variable-rate bank balances as the management of the Group considers that the interest rate fluctuation on bank balances is minimal and the impact from the exposure to interest rate risk sensitivity is considered insignificant.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Market risk (Continued)

(b) Interest rate risk *(Continued)*

For the year ended 31 December 2024, if the floating interest rate of bank borrowings had been higher/lower by 100 basis points with all other variables held constant, the profit before taxation would have been approximately RMB242,000 lower/higher (2023: the loss before taxation would have been approximately RMB300,000 higher/lower).

3.1.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk in relation to its restricted bank deposits, cash and cash equivalents, trade and other receivables and the unauthorised financial guarantee.

The carrying amounts of trade and other receivables, restricted bank deposits and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

Other than the unauthorised financial guarantee provided by the Group to its then ultimate controlling party, the Group does not provide any other guarantees that would expose it to credit risk. For the year ended 31 December 2024, based on an arbitration mediation statement issued by the Shanghai Arbitration Commission, the Group recognised a provision in accordance with HKAS 37, which superseded the financial guarantee liability previously recognised under HKFRS 9. Details of the unauthorised financial guarantee and the related provision as at the end of the reporting period are disclosed in Note 27(b).

The Group expects that there is no significant credit risk associated with restricted bank deposits and cash and cash equivalents since they are substantially deposited at state-owned banks and other medium or large-sized listed banks with acceptable credit rating. Management does not expect that there will be any significant losses from non-performance by these counterparties.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

The credit risk of trade and other receivables is managed through an internal process. The Group has policies in place to ensure that services are provided to customers with an appropriate credit history. For trade and other receivables, the Group has large number of Customers and there was no concentration of credit risk. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group reviews regularly the recoverable amount of each individual receivable to ensure that the adequate impairment losses are made for irrecoverable amounts.

Impairment assessments

The Group formulates the credit losses of restricted bank deposits, cash and cash equivalents, and trade and other receivables using ECL models according to HKFRS 9 requirements.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the Customers' ability to meet its obligations
- actual or expected significant changes in the operating results of individual property developers
- significant changes in the expected performance and behaviour of Customers

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

Impairment assessments *(Continued)*

A summary of the assumptions underpinning the Group's internal credit risk grading assessment is as follows:

Internal credit rating	Description of internal credit rating	Trade receivables – Simplified approach	Other financial assets – General approach
Performing	The counterparty has a low risk of default and a strong capacity to meet cash flows	Lifetime ECL – non-credit impaired	Stage 1: 12-month ECL; or lifetime ECL where the expected lifetime of the asset is less than 12 months
Underperforming	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – non-credit impaired	Stage 2: Lifetime ECL – non-credit impaired
Non-performing	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired	Stage 3: Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no reasonable expectation of recovery	Asset is written off	Asset is written off

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

Impairment assessments *(Continued)*

The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade receivables. The tables below detail the credit risk exposures of the Group's other financial assets at amortised cost, which are subject to ECL assessments.

			Gross carrying amount	
	Internal credit rating	12-month or lifetime ECL	As at 31 December	
			2024	2023
			RMB'000	*RMB'000*
Restricted bank deposits	Performing	12-month ECL	**2,515**	3,241
Cash and cash equivalents	Performing	12-month ECL	**60,762**	48,041
Other receivables	Performing	12-month ECL	**57,384**	55,995
	Non-performing	Lifetime ECL	**18,494**	16,325
			75,878	72,320

(i) Restricted bank deposits and cash and cash equivalents

For restricted bank deposits and cash and cash equivalents, the Group determines the ECL by referring to external credit rating of the related banks. The identified impairment loss was immaterial.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

Impairment assessments *(Continued)*

(ii) Trade receivables

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

Gross carrying amounts of trade receivables are categorised below:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Due from independent third parties	**485,865**	373,476
Due from related parties	**1,890**	1,887
Due from former related parties	**156,475**	150,199
	644,230	525,562

Trade receivables due from independent third parties:

To measure the ECL, trade receivables due from independent third parties have been grouped based on shared credit risk characteristics and days past due and determined by using a provision matrix.

The expected loss rates based on the payment profiles of services over a period of 60 months before the year end date. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

Impairment assessments *(Continued)*

(ii) Trade receivables *(Continued)*

The loss allowance provision for the trade receivables due from independent third parties was determined as follows:

	As at 31 December 2024								
The ageing based on invoice date	0-60 days	61-180 days	181-365 days	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected loss rate	12.8%	12.8%	12.8%	36.8%	50.0%	69.0%	93.2%	100.0%	
Gross carrying amount *(RMB'000)*	173,361	13,603	31,344	61,941	107,954	42,583	49,176	5,903	485,865
Loss allowance provision *(RMB'000)*	22,208	1,743	4,015	22,813	54,020	29,395	45,817	5,903	185,914
Net *(RMB'000)*	151,153	11,860	27,329	39,128	53,934	13,188	3,359	–	299,951

	As at 31 December 2023								
The ageing based on invoice date	0-60 days	61-180 days	181-365 days	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected loss rate	10.8%	10.8%	10.8%	29.0%	46.0%	68.9%	93.0%	100.0%	
Gross carrying amount *(RMB'000)*	54,133	51,635	39,272	130,700	45,550	46,282	5,799	105	373,476
Loss allowance provision *(RMB'000)*	5,849	5,579	4,243	37,919	20,953	31,902	5,395	105	111,945
Net *(RMB'000)*	48,284	46,056	35,029	92,781	24,597	14,380	404	–	261,531

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

Impairment assessments *(Continued)*

(ii) Trade receivables *(Continued)*

Trade receivables due from related parties/former related parties:

To measure the ECL, trade receivables due from related parties/former related parties have been grouped based on shared credit risk characteristics. The Group determines the ECL by referring to external credit rating and adjusts the rating to reflect current and forward-looking information on macroeconomic factors affecting the ability of these entities to settle the receivables. The trade receivables from related parties/former related parties primarily arise from subsidiaries of Jiayuan International and entities under the control or significant influence of Mr. Shum, typically property developers. For the years ended 31 December 2023 and 2024, these entities were assigned highly speculative credit ratings, indicating a significant risk of default. In light of adverse developments within China's real estate sector and these entities experienced severe financial distress, the directors have assessed the likelihood of recovery of these receivables to be low. Accordingly, a substantial portion of these receivables has been impaired in the consolidated financial statements. During the year ended 31 December 2024, the Group recognised ECL on trade receivables due from related parties/former related parties amounted to approximately RMB8,316,000 (2023: approximately RMB4,919,000).

The movements of impairment loss allowances for trade receivables are as follows:

	Due from independent third parties		Due from related parties/ former related parties		Total	
	2024 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	2023 *RMB'000*
At the beginning of the year	111,945	67,484	99,827	99,775	211,772	167,259
Loss allowance recognised	76,683	93,998	8,316	4,919	84,999	98,917
Write-off	–	(49,537)	(747)	(4,867)	(747)	(54,404)
Disposals of subsidiaries	(2,714)	–	–	–	(2,714)	–
At the end of the year	185,914	111,945	107,396	99,827	293,310	211,772

As at 31 December 2024, the gross carrying amounts of trade receivables were approximately RMB644,230,000 (2023: RMB525,562,000) and thus the maximum exposure to credit risk was approximately RMB350,920,000 (2023: RMB313,790,000).

Accounts receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of severe financial difficulty. The amounts of trade receivables written off during the years ended 31 December 2024 and 2023 were approximately RMB747,000 and RMB54,404,000, respectively.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

Impairment assessments *(Continued)*

(iii) Other receivables

For other receivables, for the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

The Group applies the HKFRS 9 three-stage approach to measuring ECL of other receivables. Impairment on other receivables is measured as 12-month ECL, depending on whether there has been a significant increase in credit risk of a receivable has occurred since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

The movements of impairment loss allowances for other receivables are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**17,103**	15,985
Loss allowance recognised	**2,175**	1,118
Disposals of subsidiaries	**(2)**	–
At the end of the year	**19,276**	17,103

As at 31 December 2024, the gross carrying amounts of other receivables were approximately RMB75,878,000 (2023: RMB72,320,000) and thus the maximum exposure to credit risk was approximately RMB56,602,000 (2023: RMB55,217,000).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

Impairment assessments *(Continued)*

Total impairment losses/(reversal of impairment losses) recognised by the Group comprise:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
For trade receivables due from independent third parties	**76,683**	98,864
For trade receivables due from related parties	**115**	(11)
For trade receivables due from former related parties	**8,201**	64
For other receivables	**2,175**	1,118
	87,174	100,035

3.1.3 Liquidity risk

In preparing the consolidated financial statements, after taking into account of internally generated funds from its operations and obtained continuous financial support from the Company's beneficial owner at a level sufficient to finance the working capital requirements of the Group, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next 12 months from the end of the reporting period.

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As disclosed in Note 26, all of the bank borrowings carried no covenants as at 31 December 2024 and 31 December 2023.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period to the contractual maturity date.

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total undiscounted cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024					
Trade and other payables	300,982	–	–	300,982	300,982
Lease liabilities	508	508	1,448	2,464	2,260
Bank borrowings	12,671	6,711	–	19,382	18,581
	314,161	7,219	1,448	322,828	321,823

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total undiscounted cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023					
Trade and other payables	286,285	–	–	286,285	286,285
Bank borrowings	12,516	12,775	6,721	32,012	29,896
Unauthorised guarantee	123,000	–	–	123,000	123,000
	421,801	12,775	6,721	441,297	439,181

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 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 shareholder 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 shareholder, issue new shares, or request contributions from owners.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total assets. The Group would continue to monitor and reduce its gearing by improving the operating results.

The externally imposed capital requirement for the Group is in order to maintain its listing on the Stock Exchange to have a public float of at least 25% of the shares. Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, the 25% threshold of public float should be complied with throughout the period from the date of listing to the end of the reporting period.

3.3 Fair value estimation

3.3.1 Fair value hierarchy

The table below analyses financial instruments carried or presented at fair value, by level of the inputs to valuation techniques used to measure fair value. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.1 Fair value hierarchy (Continued)

	Fair value measurements – Level 3 *RMB'000*
At 31 December 2024	
Recurring fair value measurements:	
Financial liabilities at FVTPL	
Contingent consideration payable for business combination	**–**

	Fair value measurements – Level 3 *RMB'000*
At 31 December 2023	
Recurring fair value measurements:	
Financial liabilities at FVTPL	
Contingent consideration payable for business combination	649

3.3.2 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the year ended 31 December:

	Year ended 31 December	
	2024 *RMB'000*	2023 *RMB'000*
At the beginning of the year	**649**	5,395
Fair value changes (Note 9)	**(649)**	(4,746)
At the end of the year	**–**	649

The fair value changes on consideration payable for business combination are presented in "Other gains and losses, net" in the consolidated statement of comprehensive income.

There were no transfers between levels of the fair value hierarchy during the year.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.3 Valuation inputs and relationships to fair value

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board at least twice a year.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of financial liabilities at FVTPL:

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value As at 31 December 2024 RMB'000	2023 RMB'000
Contingent consideration payable	Discounted cash flows	Discount rate	3.6% (2023: 4.2%)	Decrease	–	649
		Probability of project completion	5% - 70% (2023: 5% - 85%)	Increase		
		Recovery of acquired receivables	6.4% (2023: 28.0%)	Increase		

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the Group's accounting policies, which are described from Note 2.2 to Note 2.30, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the factors considered by the directors as detailed in Note 2.1.1.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) ECL on trade receivables

The Group makes allowances on trade receivables based on estimation about risk of default and expected credit loss rates. The Group applied judgments in making the estimation and selecting the assumptions and inputs used in the ECL calculation, based on the Group's customers' settlement history and financial position as well as forward looking information including industry and external macroeconomic data.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables and the related impairment loss allowances in the period in which such estimate is changed. For details of the key assumptions and inputs used, see Note 3.1.2.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(b) Assessment of goodwill impairment

The Group's management assessed the impairment of goodwill by determining the recoverable amounts of the CGU to which goodwill was allocated. Significant judgments and estimates involved in the assessment of goodwill impairment include the adoption of valuation method and the use of key assumptions in the valuation. The recoverable amount of goodwill is estimated annually to evaluate whether or not there is any impairment. An impairment loss is recognised when the recoverable amount has declined below its carrying amount. The details of the key assumptions used are set out in Note 18.

(c) Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Judgment is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax expense in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(d) Useful lives of property management contracts

The Group's management determines the estimated useful lives and related amortisation charges for the Group's property management contracts with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the amortisation charges where useful lives are different to that of previously estimated. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore amortisation expense in future periods.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the 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.

6 REVENUE

Revenue mainly represents consideration to which the Group expects to be entitled for the property management services, value-added services to property developers and community value-added services. An analysis of the Group's revenue from contract with customers within the scope of HKFRS 15 by category is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Types of services		
Property management services (a)	**785,918**	762,203
Value-added services to property developers (b)	**11,279**	30,562
Community value-added services (c)	**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

(a) Property management services:

The Group provides property owners and residents with a wide range of property management services, which primarily comprise (i) cleaning, (ii) security, (iii) gardening and landscaping, and (iv) repair and maintenance services.

(b) Value-added services to property developers:

The Group offers property developers comprehensive and customised value-added services covering the entire lifecycle of property development process to address their needs from preliminary consultancy for property development to post-delivery management. The value-added services to property developers primarily comprise (i) sales management services, (ii) preliminary planning and design consultancy services, (iii) pre-delivery cleaning and inspection services, (iv) car park sales assistance services, and (v) other services customised to meet specific needs of customers on an as-needed basis such as employee catering services and sales of groceries.

6 REVENUE *(Continued)*

(c) Community value-added services:

The Group provides comprehensive demand-inspired, customised and menu-based services, the value-added services to property owners and residents cater to different groups of property owners, factoring in different ages, different family structures and different occupations. The community value-added services primarily include, among others, (i) home-living services, (ii) common area value-added services, (iii) car park leasing assistance services and (iv) sales of groceries to property owners.

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.

7 CONTRACTS WITH CUSTOMERS

(a) Contract liabilities

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Property management services	**112,332**	124,413
Value-added services to property developers	**395**	22
Community value-added services	**8,937**	6,527
	121,664	130,962

Contract liabilities of the Group mainly arise from the advance payments made by Customers while the underlying services are yet to be provided.

7 CONTRACTS WITH CUSTOMERS *(Continued)*

(a) Contract liabilities *(Continued)*

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Property management services	**117,415**	106,090
Community value-added services	**5,706**	4,965
	123,121	111,055

(b) Unsatisfied performance obligations

For property management services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the Customer of the Group's performance to date, on a regular basis. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these type of contracts. The majority of the property management service contracts do not have a fixed term. The term of the contracts for value-added services to property developers is generally set to expire when the counterparties notify the Group that the services are no longer required. For other value-added services, they are rendered in a short period of time and there is no material unsatisfied performance obligation at the end of the year.

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

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

8 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 (Note 29(a))	**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 2023, the government grants were awarded 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.

9 OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Exchange (losses)/gains, net (Note 29(a))	**(1)**	111
Fair value gain on contingent consideration payable for business combination (Note 29(a))	**649**	4,746
Gains on disposals of subsidiaries (Notes 29(a) & 29(d))	**3,150**	250
(Losses)/gains on disposals of property and equipment (Notes 29(a) & 29(b))	**(594)**	131
Others	**297**	(55)
	3,501	5,183

10 PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging the following:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Depreciation of right-of-use assets (Note 29(a))	**79**	79
Depreciation of property and equipment (Notes 17 & 29(a))	**5,850**	10,868
Amortisation of intangible assets (Notes 18 & 29(a))	**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

11 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 contributions 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 future years.

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

12 DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

The remuneration of each director and chief executive officer of the Company during the years ended 31 December 2024 and 2023 are set out below:

	Fees		Basic salaries, housing allowances and other allowances		Contribution to pension scheme		Discretionary bonuses		Total	
	2024 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	2023 *RMB'000*
Executive directors										
Mr. Li Meng (i)	–	–	35	–	–	–	–	–	35	–
Mr. Xin Bing (ii)	–	–	35	–	–	–	–	–	35	–
Mr. Zhu Hongge (iii)	–	–	755	1,285	–	–	417	550	1,172	1,835
Mr. Pang Bo (iv)	–	–	375	375	9	8	197	137	581	520
Mr. Bao Guojun (iv)	–	–	363	360	10	10	183	150	556	520
Non-executive director										
Mr. Huang Fuqing (v)	–	–	–	–	–	–	–	–	–	–
Independent non-executive directors										
Mr. Cai Sitao (vi)	8	–	–	–	–	–	–	–	8	–
Ms. Cui Yan (vi)	8	–	–	–	–	–	–	–	8	–
Mr. Zhang Chen (vi)	8	–	–	–	–	–	–	–	8	–
Ms. Liang Yunxu (vii)	111	109	–	–	–	–	–	–	111	109
Mr. Wang Huimin (vii)	111	109	–	–	–	–	–	–	111	109
Mr. Wong Kwok Yin (vii)	111	109	–	–	–	–	–	–	111	109
	357	327	1,563	2,020	19	18	797	837	2,736	3,202

12 DIRECTORS' EMOLUMENTS *(Continued)*

(a) Directors' emoluments *(Continued)*

(i) Mr. Li Meng was appointed as executive director and chairman of the Board on 10 December 2024.

(ii) Mr. Xin Bing was appointed as executive director on 10 December 2024.

(iii) Mr. Zhu Hongge was also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer. He resigned as an executive director, the chairman of the Board and the chief executive officer of the Company on 26 July 2024.

(iv) Mr. Pang Bo and Mr. Bao Guojun resigned as executive directors on 31 December 2024.

(v) Mr. Huang Fuqing resigned as a non-executive director of the Company on 12 August 2024.

(vi) Mr. Cai Sitao, Ms. Cui Yan and Mr. Zhang Chen were appointed as independent non-executive directors on 10 December 2024.

(vii) Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin resigned as independent non-executive directors on 31 December 2024.

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking for the year (2023: Nil).

No payment was made to the directors as compensation for early termination of appointment for the year (2023: Nil).

None of the directors of the Company waived any emoluments for the year (2023: Nil).

No emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office for the year (2023: Nil).

There were no other loans, quasi-loans and other dealings in favour of the directors, controlled bodies corporate by and connected entities with such directors for the year (2023: Nil).

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time for the year (2023: Nil).

12 DIRECTORS' EMOLUMENTS *(Continued)*

(c) Five highest paid individuals

The five individuals with the highest emoluments in the Group during the year include 2 directors (2023: 1 director). No emoluments were paid by the Group to the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office for the year (2023: Nil). The emoluments payable to the remaining 3 individuals for the year (2023: 4 individuals) are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Basic salaries, housing allowances and other allowances	1,330	1,618
Contribution to pension scheme	60	80
Discretionary bonuses	597	687
	1,987	2,385

The emoluments of those individuals fell within the following bands:

	Number of individuals Year ended 31 December	
	2024	2023
Nil to HKD1,000,000	3	4

13 FINANCE COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest expense on bank borrowings (Note 29(c))	1,183	1,681
Interest expense on lease liabilities (Note 29(c))	7	1
	1,190	1,682

14 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

(a) 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).

Pursuant to PRC Corporate Income Tax Law and respective regulations, the corporate income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable corporate income tax rates (i.e. ranging from 5% to 25%) on the respective taxable income for the year.

(b) The income tax expense for the year reconciled to the profit/(loss) before taxation is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit/(loss) before taxation	32,359	(56,950)
Tax calculated at statutory corporate income tax rate of 25%	8,090	(14,238)
Effects of different tax rates applicable to different subsidiaries of the Group	(1,882)	(741)
Tax losses and temporary difference not recognised	300	1,862
Tax effect of utilisation of tax losses not previously recognised	(112)	–
Effects of share of results of an associate	18	(5)
Expenses not deductible for taxation	12,653	33,566
Income tax expense	19,067	20,444

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

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(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.

16 DIVIDENDS

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

17 PROPERTY AND EQUIPMENT

	Buildings *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
Year ended 31 December 2024				
Opening net book amount	4,793	20,149	840	25,782
Disposals of subsidiaries	–	(158)	(1)	(159)
Additions	17	3,226	416	3,659
Disposals (Note 29(b))	–	(279)	(461)	(740)
Depreciation (Note 10)	(519)	(4,907)	(424)	(5,850)
Closing net book amount	4,291	18,031	370	22,692
At 31 December 2024				
Cost	6,453	54,299	4,925	65,677
Accumulated depreciation	(2,162)	(36,268)	(4,555)	(42,985)
Net book amount	4,291	18,031	370	22,692
Year ended 31 December 2023				
Opening net book amount	5,074	20,059	1,474	26,607
Disposal of a subsidiary	–	(125)	(5)	(130)
Additions	159	9,983	158	10,300
Disposals (Note 29(b))	(1)	(117)	(9)	(127)
Depreciation (Note 10)	(439)	(9,651)	(778)	(10,868)
Closing net book amount	4,793	20,149	840	25,782
At 31 December 2023				
Cost	6,436	52,405	4,979	63,820
Accumulated depreciation	(1,643)	(32,256)	(4,139)	(38,038)
Net book amount	4,793	20,149	840	25,782

Depreciation was charged to the "Cost of services and sales" and "Administrative expenses" in the consolidated statement of comprehensive income.

18 INTANGIBLE ASSETS

	Property management contracts	Goodwill	Software	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Opening net book amount	**27,402**	**92,205**	**1,209**	**120,816**
Amortisation (Note 10)	**(9,299)**	**–**	**(177)**	**(9,476)**
Closing net book amount	**18,103**	**92,205**	**1,032**	**111,340**
At 31 December 2024				
Cost	**56,704**	**106,762**	**1,856**	**165,322**
Accumulated amortisation	**(38,601)**	**–**	**(824)**	**(39,425)**
Accumulated impairment	**–**	**(14,557)**	**–**	**(14,557)**
Net book amount	**18,103**	**92,205**	**1,032**	**111,340**
Year ended 31 December 2023				
Opening net book amount	36,780	92,205	1,387	130,372
Amortisation (Note 10)	(9,378)	–	(178)	(9,556)
Closing net book amount	27,402	92,205	1,209	120,816
At 31 December 2023				
Cost	56,704	106,762	1,856	165,322
Accumulated amortisation	(29,302)	–	(647)	(29,949)
Accumulated impairment	–	(14,557)	–	(14,557)
Net book amount	27,402	92,205	1,209	120,816

Amortisation was charged to the "Cost of services and sales" in the consolidated statement of comprehensive income.

18 INTANGIBLE ASSETS *(Continued)*

Impairment tests for goodwill

Goodwill has been allocated to the respective CGU for impairment testing. Impairment review on the goodwill has been conducted by the management with the assistance of a valuation performed by a third-party independent valuer (Jones Lang LaSalle Corporate Appraisal and Advisory Limited) as at 31 December 2024 according to HKAS 36 Impairment of assets. The goodwill (net book amount) is allocated in CGU as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Shanghai Jiayuan Baoji Property Services Company Limited ("Shanghai Baoji") CGU	**71,517**	71,517
Hunan Jiayuan Huaguan Property Services Company Limited ("Hunan Huaguan") CGU	**13,284**	13,284
Hunan Yahua Property Management Company Limited ("Hunan Yahua") CGU	**7,404**	7,404
	92,205	92,205

The recoverable amount of a CGU is determined based on the higher of value in use and the fair value less cost of disposal (the "FVLCOD"). As at 31 December 2024, management recalculated the recoverable amounts of all cash-generating units.

As at 31 December 2024 and 2023, there is no impairment in respect of goodwill in the respective year as CGU recoverable amounts exceeded its carrying amounts.

18 INTANGIBLE ASSETS *(Continued)*

Impairment tests for goodwill *(Continued)*

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

	As at 31 December	
	2024	2023
For Shanghai Baoji CGU:		
Revenue growth rates during the projection period	**-0.7% - 2.5%**	0.6% - 6.1%
Gross profit margins during the projection period	**24.3% - 28.1%**	24.3% - 27.3%
Terminal growth rate	**2.0%**	2.0%
Pre-tax discount rate	**18.4%**	19.8%
For Hunan Huaguan CGU:		
Revenue growth rates during the projection period	**-4.1% - 3.3%**	-4.7% - 2.5%
Gross profit margins during the projection period	**26.4% - 28.8%**	24.7% - 25.3%
Terminal growth rate	**2.0%**	2.0%
Pre-tax discount rate	**23.7%**	23.0%
For Hunan Yahua CGU:		
Revenue growth rates during the projection period	**-1.2% - 2.9%**	-0.3% - 2.0%
Gross profit margins during the projection period	**21.0% - 23.4%**	22.1% - 22.2%
Terminal growth rate	**2.0%**	2.0%
Pre-tax discount rate	**19.6%**	20.2%

18 INTANGIBLE ASSETS *(Continued)*

Impairment tests for goodwill *(Continued)*

The key assumptions used in the VIU calculations are as follows:

(a) Revenue growth rates – The revenue growth rates are estimated based on the Group's contracted gross floor area under management, expected new projects under management and pricing standards.

(b) Gross profit margins – The gross profit margins during the projection period are determined by the management based on past performance, the current market conditions and its expectation for market development.

(c) Terminal growth rates – The terminal growth rates are estimated by reference to the long-term expected inflation rate. Cash flows beyond the projection period are extrapolated using the estimated terminal growth rates.

(d) Pre-tax discount rates – The discount rates used are pre-tax and reflect market assessments of the time value and the specific risks relating to the industry.

Management of the Group believes that any reasonably possible change in any of the above key assumptions of the VIU calculation would not cause the carrying amount to exceed the recoverable amount of each CGU. The possibility of the negative impact of variation in the key assumptions, including revenue growth rates, gross profit margins, terminal growth rate and pre-tax discount rate, for goodwill impairment is considered low.

19 INTEREST IN AN ASSOCIATE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**1,508**	1,488
Share of results	**(73)**	20
At the end of the year	**1,435**	1,508

As at 31 December 2024 and 2023, there were no significant contingent liabilities and commitments relating to the Group's interest in an associate. The associate is an unlisted company and has no quoted price.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Financial assets at amortised cost:		
Trade and other receivables	**407,522**	369,007
Restricted bank deposits	**2,515**	3,241
Cash and cash equivalents	**60,762**	48,041
	470,799	420,289

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Financial liabilities at amortised cost:		
Trade and other payables	**300,982**	285,636
Bank borrowings	**18,581**	29,896
	319,563	315,532
Financial guarantee contract:		
Unauthorised guarantee	**–**	123,000
Financial liabilities at FVTPL:		
Contingent consideration payables for business combinations	**–**	649
Total financial liabilities	**319,563**	439,181

21 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	**414,548**	377,920

As at 31 December 2024 and 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 (Note 3.1.2)	**(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

21 TRADE AND OTHER RECEIVABLES *(Continued)*

(b) Other receivables

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other receivables		
– Deposits and payments made on behalf of Customers (i)	**74,415**	69,522
– Due from related parties	**1,463**	2,750
– Others	**–**	48
	75,878	72,320
Less: allowance for impairment (Note 3.1.2)	**(19,276)**	(17,103)
	56,602	55,217

(i) The amount primarily represented the advance paid for Customers to settle their utility bills and other charges on their behalf.

22 RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash at banks and on hand (a)	**63,277**	51,282
Less: Restricted bank deposits (b)	**(2,515)**	(3,241)
Cash and cash equivalents	**60,762**	48,041
Cash at banks and on hand are denominated in:		
HKD	**53**	19
RMB	**63,224**	51,263
	63,277	51,282

(a) Cash and bank deposits held in the PRC are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from the PRC, other than through normal dividends. The carrying amount of the cash and bank deposits included within the consolidated financial statements to which these restrictions apply is RMB63,207,000 (2023: RMB51,248,000). Cash at banks generally earns interest at floating rates based on daily bank deposits rates.

(b) The restricted bank deposits are restricted for litigation and operating requirement of the local government authorities.

23 SHARE CAPITAL

	Number of ordinary shares	Nominal value of shares *HKD'000*	Equivalent nominal value of shares *RMB'000*
Authorised			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	2,000,000,000	20,000	17,195
Issued and fully paid			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	611,709,000	6,117	5,225

24 RESERVES

	Share premium *RMB'000*	Accumulated losses *RMB'000*	Statutory reserves *RMB'000* (Note a)	Other reserves *RMB'000*	Total *RMB'000*
At 1 January 2024	454,301	(532,904)	42,549	(107,786)	(143,840)
Profit for the year	–	8,157	–	–	8,157
Appropriation of statutory reserves	–	(14,361)	14,361	–	–
At 31 December 2024	454,301	(539,108)	56,910	(107,786)	(135,683)
At 1 January 2023	454,301	(450,433)	40,935	(107,786)	(62,983)
Loss for the year	–	(80,914)	–	–	(80,914)
Appropriation of statutory reserves	–	(1,614)	1,614	–	–
Repurchase of shares of a subsidiary from non-controlling interests	–	57	–	–	57
At 31 December 2023	454,301	(532,904)	42,549	(107,786)	(143,840)

(a) The Company's subsidiaries registered in the PRC are required to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends until the accumulated total of the fund reaches 50% of their respective registered capital.

25 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 (b)	51,853	61,325
– Owners' maintenance fund (c)	39,789	40,375
– Deposits received (d)	84,042	76,466
– Contingent consideration payable for business combinations (e)	–	649
– Loan from VCL (f)	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 is 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

(b) The amounts represented receipts from Customers to settle their utility bills and other charges on their behalf.

(c) The amounts represented various proceeds received on behalf of the property owners to be used for property maintenance.

(d) The amounts mainly represented deposits received in relation to home decoration from Customers and performance guarantee deposits from suppliers, which would be refunded upon completion of work.

(e) The contingent consideration payable mainly arising from the acquisition of Shanghai Baoji. The Group is obligated to pay the vendor an additional of approximately RMB27,115,000 if specified property projects are completed and the Group is engaged to perform property management services. The estimated fair value of this obligation amounted to nil (2023: approximately RMB649,000). For details of the fair value assessment, see Note 3.3.

(f) The amount is unsecured, interest-free and repayable on 2 February 2025.

26 BANK BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Bank loans – secured	18,581	29,896

The Group's bank borrowings are repayable as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	12,127	11,338
Over 1 year and within 2 years	6,454	12,105
Over 2 years and within 5 years	–	6,453
	18,581	29,896
Less: amount due for settlement within 12 months (shown under current liabilities)	(12,127)	(11,338)
Amount due for settlement after 12 months (shown under non-current liabilities)	6,454	18,558

As at 31 December 2024, the bank borrowings were secured by 100% equity interest of Shanghai Baoji (2023: the bank borrowings were secured by 100% equity interest of Shanghai Baoji and were guaranteed jointly by Mr. Shum and an entity controlled by Mr. Shum with maximum exposure of RMB75,000,000). All of the bank borrowings carried no covenants (2023: same).

Bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The effective interest rate of bank borrowings at the year ended 31 December 2024 was 4% (2023: 4.45%).

The carrying amounts of the bank 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.

27 PROVISIONS

Provision for:	Loss on unauthorised Pledged Shares *RMB'000* (Note a)	Loss on unauthorised guarantee *RMB'000* (Note b)	Total *RMB'000*
At 1 January 2024	**49,315**	**123,000**	**172,315**
Charged/(credited) to the consolidated statement of comprehensive income	**(2,453)**	**29,340**	**26,887**
At 31 December 2024	**46,862**	**152,340**	**199,202**
At 1 January 2023	37,482	–	37,482
Charged to the consolidated statement of comprehensive income	11,833	123,000	134,833
At 31 December 2023	49,315	123,000	172,315

(a) Loss on unauthorised Pledged Shares

As detailed in the announcement of the Company dated 25 September 2024 and 30 September 2024, it was identified that in March 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, without the permission or authorisation of the Board and senior management of the Company, entered into an unauthorised and undisclosed share pledge agreement. Under this agreement, Zhejiang Heyuan agreed to pledge its equity interest in Zhejiang Jiayuan Services and all underlying interest thereof (the "Pledged Shares"). The pledge was to secure the repayment obligation of Mr. Shum Tin Ching ("Mr. Shum"), the then ultimate controlling shareholder of the Company as at the material time of entering into of the agreement, as borrower, in respect of a personal loan of RMB80,000,000 from an external lender. The loan was interest-bearing at 18% per annum, repayable on 31 May 2022 and was further secured by properties held by the then related parties under Mr. Shum's control, with joint and several guarantee obligations provided by one of the then related parties.

Following Mr. Shum's failure to repay, the lender initiated legal proceedings against Mr. Shum as the borrower and a guarantor party in July 2022. In September 2022, a civil mediation paper was issued, affirming the lender's right to enforce repayment of the loan's principal and interest, and to receive preferential rights to the proceeds from the auction or sale of pledged properties and the Pledged Shares. In March 2023, the court granted an enforcement order, and execution proceeding resumed in March 2024. Up to the end of March 2025, 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.

The extent to which Mr. Shum will be able to repay the lender for the outstanding principal and interests of the loan remains uncertain. Based on legal advice and the evaluation by an independent third-party valuer, the Group recognised a provision of approximately RMB46,862,000 (2023: RMB49,315,000) for loss on unauthorised Pledged Shares. The amount represents the Group's best estimate of the probable cash outflow arising from the obligations under the share pledge agreement, taking into account the net realisable value of the pledged properties.

27 PROVISIONS *(Continued)*

(b) Loss on unauthorised guarantee

As described in detail in the announcement dated 13 November 2024 and 13 December 2024, on 27 July 2023, two indirectly wholly-owned PRC subsidiaries of the Company, Zhejiang Heyuan and Zhejiang Jiayuan Services (collectively referred to as the "Involved Subsidiaries"), entered into unauthorised guarantee agreements with two independent third parties, as creditors, and the Involved Subsidiaries, as guarantors. These agreements, also involving a company controlled by Mr. Shum as guarantors, stipulated that the Involved Subsidiaries and the then related party would provide joint liability guarantees for all creditors' rights, effective for three years following the obligation fulfillment period. This arrangement was in favour of Chaohu Xutong Business Management Co., Ltd.* (巢湖市旭彤商業管理有限公司) ("Chaohu Xutong"), a PRC limited liability company under Mr. Shum's control, pursuant to an equity transfer agreement dated 27 July 2023. In this equity transfer agreement, Chaohu Xutong as transferee, agreed to acquire the entire equity interest of a target company from the two independent third parties, as transferors, at a consideration of RMB123,000,000, payable in one lump sum within 60 days from the effective date of the equity transfer agreement.

Following Chaohu Xutong's failure to fulfill this payment, the creditors initiated arbitration through the Shanghai Arbitration Commission (the "SAC") in December 2023. In April 2024, without proper authorisation, the legal advisers of the Involved Subsidiaries attended the arbitration hearing and entered into a settlement agreement, mandating a combined compensation to the creditors of approximately RMB124,000,000, being the consideration and the arbitration fee, as confirmed by the SAC through an arbitration mediation statement.

In November 2024, the Company filed an application 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 the withdrawal of the arbitration mediation statement was dismissed, while the application of non-enforcement of the arbitration mediation statement remains in progress.

Based on the legal advice, the creditors could legally demand payment based on the settlement agreement. Should the Involved Subsidiaries assume all payment obligations, they may seek full recovery from Chaohu Xutong and any excess amount from the then related party, which has assumed joint liability for the payment obligations. According to the PRC Civil Code, guarantors share equal liability unless otherwise agreed.

For the year ended 31 December 2024, the Group has recognised a provision for the loss on unauthorised guarantee of approximately RMB152,340,000, based on the consideration and arbitration and penalty fees stipulated in the arbitration mediation statement. This provision supersedes the financial guarantee liability of approximately RMB123,000,000 recognised as at 31 December 2023, which had been based on the equity transfer consideration associated with the unauthorised guarantee.

28 DEFERRED INCOME TAX

The following are the deferred income tax assets and liabilities recognised by the Group:

Deferred income tax assets

	Allowance for impairment of financial assets *RMB'000*	Accrued expenses *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2024	**51,111**	**3,439**	**1**	**54,551**
Credited/(charged) to the consolidated statement of comprehensive income	**18,953**	**(262)**	**593**	**19,284**
Disposals of subsidiaries	**(668)**	**(365)**	**(1)**	**(1,034)**
At 31 December 2024	**69,396**	**2,812**	**593**	**72,801**
At 1 January 2023	57,398	3,296	13	60,707
(Charged)/credited to the consolidated statement of comprehensive income	(6,287)	143	(12)	(6,156)
At 31 December 2023	51,111	3,439	1	54,551

28 DEFERRED INCOME TAX *(Continued)*

Deferred income tax liabilities

	Fair value gain from business combinations *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2024	**6,850**	**–**	**6,850**
(Credited)/charged to the consolidated statement of comprehensive income	**(2,325)**	**604**	**(1,721)**
At 31 December 2024	**4,525**	**604**	**5,129**
At 1 January 2023	9,215	–	9,215
Credited to the consolidated statement of comprehensive income	(2,365)	–	(2,365)
At 31 December 2023	6,850	–	6,850

Under the income tax laws in the PRC, withholding tax is imposed on dividend declared in respect of profit earned by the PRC subsidiaries. As at 31 December 2024 and 31 December 2023, the Group's PRC subsidiaries had no distributable earnings to be remitted to their overseas holding companies.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. For the year ended 31 December 2024, the Group did not recognise deferred income tax assets in respect of losses amounting to approximately RMB2,068,000 (2023: RMB2,600,000) that can be carried forward against future taxable income. Tax losses of the Group's companies operated in the PRC could be carried forward for a maximum of five years.

For presentation purposes, certain deferred income tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred income tax balances of the Group for financial reporting purposes:

	2024 *RMB'000*	2023 *RMB'000*
Net deferred income tax assets recognised in the consolidated statement of financial position	**68,758**	48,935
Net deferred income tax liabilities recognised in the consolidated statement of financial position	**(1,086)**	(1,234)
	67,672	47,701

29 CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit/(loss) before taxation	32,359	(56,950)
Adjustments for		
– Depreciation of property and equipment (Note 10)	5,850	10,868
– Depreciation of right-of-use assets (Note 10)	79	79
– Amortisation of intangible assets (Note 10)	9,476	9,556
– Impairment losses on financial assets (Note 3.1.2)	87,174	100,035
– (Reversal of loss)/loss on unauthorised Pledged Shares (Note 27)	(2,453)	11,833
– Loss on unauthorised guarantee (Note 27)	29,340	123,000
– Interest income (Note 8)	(219)	(237)
– Finance costs (Note 13)	1,190	1,682
– Share of results of an associate (Note 19)	73	(20)
– Fair value gain on contingent consideration payable for business combination (Note 9)	(649)	(4,746)
– Gains on disposals of subsidiaries (Note 9)	(3,150)	(250)
– Losses/(gains) on disposals of property and equipment (Note 9)	594	(131)
– Exchange losses/(gains), net (Note 9)	1	(111)
Operating profit before working capital changes	159,665	194,608
– Decrease/(increase) in restricted bank deposits	726	(1,867)
– Increase in inventories	(109)	(33)
– Increase in trade and other receivables	(128,863)	(112,475)
– (Decrease)/increase in contract liabilities	(9,225)	14,779
– Increase/(decrease) in trade and other payables	21,008	(33,256)
Cash generated from operations	43,202	61,756

29 CASH FLOW INFORMATION *(Continued)*

(b) Disposals of property and equipment

In the consolidated statement of cash flows, proceeds from disposals of property and equipment comprise:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net book amount (Note 17)	740	127
(Losses)/gains on disposals (Note 9)	(594)	131
Proceeds from disposals	146	258

(c) Reconciliation of liabilities arising from financing activities

This section sets out the movements in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

	Dividends payable to non-controlling interests	Lease liabilities	Bank borrowings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities as at 1 January 2024	–	–	29,896	29,896
Cash flows	(5,638)	(127)	(12,498)	(18,263)
Non-cash				
– Addition of right-of-use assets	–	2,380	–	2,380
– Interest expenses (Note 13)	–	7	1,183	1,190
– Dividends declared	5,638	–	–	5,638
Liabilities as at 31 December 2024	–	2,260	18,581	20,841
Liabilities as at 1 January 2023	–	50	41,222	41,272
Cash flows	–	(51)	(13,007)	(13,058)
Non-cash				
– Interest expenses (Note 13)	–	1	1,681	1,682
Liabilities as at 31 December 2023	–	–	29,896	29,896

29 CASH FLOW INFORMATION *(Continued)*

(d) Disposals of subsidiaries

During the year, the Group disposed of interests in several subsidiaries to certain third parties. Details of the disposals are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Consideration		
– Cash	1,155	–
– Receivables from disposals	1,681	–
– Liabilities discharged/(settled)	490	(471)
	3,326	(471)
Total net (assets)/liabilities of subsidiaries disposed of	(1,255)	721
Non-controlling interests disposed of	1,079	–
Gains on disposals of subsidiaries (Note 9)	3,150	250
Net cash outflow arising on disposals:		
Cash consideration received	1,155	–
Cash and cash equivalents disposed of	(3,512)	(441)
	(2,357)	(441)

30 COMMITMENTS

Operating lease commitments

The Group's lease commitments under non-cancellable short-term and low-value operating leases are as follows:

	As at 31 December	
	2024 *RMB'000*	2023 *RMB'000*
No later than 1 year	226	67

31 CONTINGENT LIABILITIES

As at 31 December 2023 and 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 for the provisions for losses on unauthorised Pledged Shares and guarantee as stated in Note 27 to the consolidated financial statements.

32 MATERIAL RELATED PARTY TRANSACTIONS

Up to 6 September 2023, Mr. Shum, the former ultimate controlling party of the Company, exercised control over the Group. Accordingly, Mr. Shum and entities controlled, jointly controlled, or significantly influenced by him were classified as related parties of the Group. On 7 September 2023, following the appointment of Receivers over the Charged Securities, Mr. Shum no longer retained control over the Group. Consequently, Mr. Shum and the aforementioned entities ceased to be related parties of the Group from that date onwards.

(a) Transactions with related parties

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with connected and related parties during the year:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Entities controlled by Mr. Shum		
– Provision of property management services	**–**	2,556
– Provision of value-added services to property developers	**–**	12,057
Entities jointly controlled by Mr. Shum		
– Provision of value-added services to property developers	**–**	3,441
Entities over which Mr. Shum has significant influence		
– Provision of value-added services to property developers	**–**	23

The prices for the above service and other transactions were determined in accordance with the terms mutually agreed by the contract parties. The related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The disclosures required by Chapter 14A of the Listing Rules are disclosed in "Report of the Directors" section to the annual report.

(b) Key management compensation

Key management group includes directors and senior managements of the Group. The compensation paid or payable to key management is shown below:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
– Salaries, wages and bonuses	**4,891**	4,857
– Social insurance and housing provident fund contributions	**121**	124
– Other benefits	**10**	28
	5,022	5,009

As at 31 December 2024, included in payroll payable was remuneration of approximately RMB316,000 (2023: RMB276,000) payable to key management personnel which is unsecured, interest-free and to be settled in cash.

32 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Balances with related parties

Balances with related parties were included in the following items:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Immediate holding company		
– Utility and other payable	**3,700**	–
Entity which has significant influence over a subsidiary of the Company		
Trade in nature and included in:		
– Trade receivables*	**1,890**	1,887
– Other receivables*	**1,463**	2,750
– Trade payables*	**1,974**	1,889
– Utility and other payable*	**7,116**	1,199

* The balances with related parties are unsecured, interest-free and repayable on demand.

33 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December	
		2024	2023
	Note	*RMB'000*	*RMB'000*
ASSETS			
Non-current assets			
Investment in a subsidiary		388,224	388,224
Current assets			
Other receivables		46,389	51,838
Cash and cash equivalents		46	15
		46,435	51,853
Total assets		434,659	440,077
EQUITY			
Share capital		5,225	5,225
Reserves	(a)	397,836	405,233
Total equity		403,061	410,458
LIABILITIES			
Current liabilities			
Other payables		31,598	29,619
Total liabilities		31,598	29,619
Total equity and liabilities		434,659	440,077

The statement of financial position of the Company was approved by the Board on 31 March 2025 and was signed on its behalf by:

Li Meng	**Xin Bing**
Director	*Director*

33 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

(a) Reserve movements of the Company

	Share premium *RMB'000*	Other reserves *RMB'000* (Note i)	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2024	**454,301**	**100,934**	**(150,002)**	**405,233**
Loss for the year	**–**	**–**	**(7,397)**	**(7,397)**
At 31 December 2024	**454,301**	**100,934**	**(157,399)**	**397,836**
At 1 January 2023	454,301	100,934	(146,484)	408,751
Loss for the year	–	–	(3,518)	(3,518)
At 31 December 2023	454,301	100,934	(150,002)	405,233

(i) Amounts represented the difference between the net asset value of the subsidiaries acquired by the Company over the nominal value of the share capital of the Company issued in exchange thereof.

34 SUBSIDIARIES

The following is a list of principal subsidiaries, all of these are limited liability companies:

Name of subsidiaries	Place of incorporation	Register/issued capital	Equity interest attributable to the Group 2024	Equity interest attributable to the Group 2023	Principal activities/place of operations
Directly held by the Company:					
Chuangyuan Development Limited (創源發展有限公司)	BVI	US$1	100%	100%	Investment holding in Hong Kong
Indirectly held by the Company:					
Jiayuan Property Management Limited (佳源物業管理有限公司)	Hong Kong	HK$1	100%	100%	Investment holding in Hong Kong
Zhejiang Heyuan (浙江禾源物業服務有限公司) (a)	the PRC	US$100,000,000	100%	100%	Investment holding in the PRC
Zhejiang Zhixiang Dacheng (浙江智想大成物業服務集團有限公司)	the PRC	RMB500,000,000	100%	100%	Property management in the PRC
Anhui Chongyuan Property Management Company Limited (安徽崇源物業管理有限公司)	the PRC	RMB5,000,000	100%	100%	Property management in the PRC
Zhejiang Meiyuan Family Service Company Limited (浙江美源家庭服務有限公司)	the PRC	RMB10,000,000	100%	100%	Community value added services in the PRC
Chongqing Zhongnong Guoxin Property Management Company Limited (重慶中農國信物業管理有限公司)	the PRC	RMB5,000,000	100%	100%	Property management in the PRC
Xinjiang Jiayuan Urban Property Service Company Limited (新疆佳源都市物業服務有限公司)	the PRC	RMB5,000,000	100%	100%	Property management in the PRC

34 SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation	Register/issued capital	Equity interest attributable to the Group 2024	Equity interest attributable to the Group 2023	Principal activities/place of operations
Indirectly held by the Company: *(Continued)*					
Hangzhou Dacheng Min'an Property Service Company Limited (杭州大成民安物業服務有限公司) (formerly known as Hangzhou Jiayuan Minan Property Services Company Limited) (杭州佳源民安物業服務有限公司)	the PRC	RMB3,000,000	100%	100%	Property management in the PRC
Taixing Zhixiang Property Service Company Limited (泰興智想物業服務有限公司) (formerly known as Yangzhou Shengyuan Property Services Company Limited) (揚州盛源物業服務有限公司)	the PRC	RMB1,000,000	100%	100%	Property management in the PRC
Anhui Jiayuan Property Service Company Limited (安徽佳源物業服務有限公司)	the PRC	RMB5,000,000	100%	100%	Property management in the PRC
Hangzhou Zhixiang Dacheng Property Service Company Limited (杭州智想大成物業服務有限公司) (formerly known as Hangzhou Jiayuan Property Service Company Limited) (杭州佳源物業服務有限公司)	the PRC	RMB1,000,000	100%	100%	Property management in the PRC
Jiaxing Jiayuan Zhixiang Property Service Company Limited (嘉興佳源智想物業服務有限公司)	the PRC	RMB1,000,000	100%	100%	Property management in the PRC
Jiaxing Jiayuan Xingzhou Property Service Company Limited (嘉興佳源星洲物業服務有限公司)	the PRC	RMB500,000	100%	100%	Property management in the PRC

34 SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation	Register/issued capital	Equity interest attributable to the Group 2024	2023	Principal activities/place of operations
Indirectly held by the Company: *(Continued)*					
Hunan Huaguan (湖南佳源華冠物業服務有限公司)	the PRC	RMB5,000,000	**65%**	65%	Property management in the PRC
Hunan Huaze Property Service Company Limited ("Hunan Huaze") (湖南華澤物業服務有限公司) (b)	the PRC	RMB2,000,000	**41%**	41%	Property management in the PRC
Chongqing Yiyoujia Real Estate Brokerage Company Limited (重慶及第有佳房地產經紀有限公司)	the PRC	RMB1,000,000	**100%**	100%	Community value added services in the PRC
Changsha Yiyoujia Real Estate Brokerage Company Limited (長沙及第有佳房地產經紀有限公司)	the PRC	RMB1,000,000	**65%**	65%	Community value added services in the PRC
Tongxiang Jiayuan Wenyun Property Service Company Limited (桐鄉佳源文藴物業服務有限公司)	the PRC	RMB1,000,000	**100%**	100%	Property management in the PRC
Chongqing Jiabao Property Service Company Limited (重慶佳寶物業服務有限公司)	the PRC	RMB10,000,000	**51%**	51%	Property management in the PRC
Guizhou Jiazhi Property Management Company Limited (貴州佳致物業管理有限公司)	the PRC	RMB1,000,000 (2023: RMB10,000,000)	**51%**	51%	Property management in the PRC
Yuyao Jiayuan Hongsheng Property Service Company Limited (余姚佳源宏盛物業服務有限公司)	the PRC	RMB1,000,000	**100%**	100%	Property management in the PRC
Xiangyang Jiayuan Property Service Company Limited (襄陽佳源物業服務有限公司)	the PRC	RMB1,000,000	**100%**	100%	Property management in the PRC

34 SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation	Register/issued capital	Equity interest attributable to the Group 2024	2023	Principal activities/place of operations
Indirectly held by the Company: *(Continued)*					
Shanghai Baoji (上海佳源保集物業服務有限公司)	the PRC	RMB13,000,000	**100%**	100%	Property management in the PRC
Yangzhou Baoji Property Management Company Limited (揚州保集物業管理有限公司)	the PRC	RMB500,000	**100%**	100%	Property management in the PRC
Qingdao Jiayuan Derun Property Service Company Limited (青島佳源德潤物業服務有限責任公司)	the PRC	RMB10,000,000	**65%**	65%	Property management in the PRC
Guangzhou Jiayuan Property Service Company Limited (廣州佳源物業服務有限公司)	the PRC	RMB1,000,000	**100%**	100%	Property management in the PRC
Quzhou Jiayuan Property Service Company Limited (衢州佳源物業服務有限公司)	the PRC	RMB2,000,000	**100%**	100%	Property management in the PRC
Chongqing Jiayuan Jiayou Property Service Company Limited (重慶佳源佳優物業服務有限公司)	the PRC	RMB5,000,000	**100%**	100%	Community value added services in the PRC
Shaoxing Changyuan Property Service Company Limited (紹興昌源物業服務有限公司)	the PRC	RMB500,000 (2023: RMB5,000,000	**100%**	100%	Property management in the PRC
Hunan Meiyuan Family Service Company Limited (湖南美源家庭服務有限公司)	the PRC	RMB2,000,000	**65%**	65%	Community value added services in the PRC

34 SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation	Register/issued capital	Equity interest attributable to the Group 2024	2023	Principal activities/place of operations
Indirectly held by the Company: *(Continued)*					
Mingguang Chongyuan Property Company Limited (明光崇源物業有限公司)	the PRC	RMB500,000	60%	60%	Property management in the PRC
Yanhe Jiayuan Property Service Company Limited (沿河佳源物業服務有限公司)	the PRC	RMB10,000,000	100%	100%	Property management in the PRC
Hunan Yahua (湖南亞華物業管理有限公司)	the PRC	RMB3,000,000 (2023: RMB8,800,000	51%	51%	Property management in the PRC
Loudi Jiayuan Huaguan Property Service Company Limited (婁底佳源華冠物業服務有限公司)	the PRC	RMB2,000,000	65%	65%	Property management in the PRC
Jiaxing Xingjia Property Service Company Limited (嘉興星佳物業服務有限公司)	the PRC	RMB5,100,000	100%	100%	Property management in the PRC
Suqian Jiasu Property Service Company Limited (宿遷市佳宿物業服務有限公司)	the PRC	RMB2,000,000	100%	100%	Property management in the PRC
Hunan Jiashang Family Service Company Limited (湖南佳尚家庭服務有限公司)	the PRC	RMB2,000,000	51%	51%	Property management in the PRC
Hunan Jiayou Family Service Company Limited (湖南佳優家庭服務有限公司)	the PRC	RMB2,000,000	65%	65%	Property management in the PRC
Longhui Huaguan Property Services Company Limited (隆回華冠物業服務有限公司)	the PRC	RMB1,000,000	65%	65%	Property management in the PRC

34 SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation	Register/issued capital	Equity interest attributable to the Group		Principal activities/place of operations
			2024	2023	
Indirectly held by the Company: *(Continued)*					
Siyang Jiacheng Property Service Company Limited (泗陽佳成物業服務有限公司)	the PRC	RMB1,000,000	100%	–	Property management in the PRC
Siyang Sijia Property Service Company Limited (泗陽泗佳物業服務有限公司)	the PRC	RMB1,000,000	100%	–	Property management in the PRC

(a) Registered as wholly foreign owned enterprises under PRC law.

(b) Hunan Huaze is 63% owned by Hunan Huaguan.

The English names of the subsidiaries represent the best efforts made by the management of the Group in translating their Chinese names as they do not have official English names.

The above list included subsidiaries having material impact on the annual results or net assets of the Group.

None of the subsidiaries had issued debit securities at the end of the reporting period.

The directors of the Company consider that none of the non-controlling interests of the individual subsidiaries was significant to the Group and thus the individual financial information of these subsidiaries was not disclosed in this section.

FINANCIAL SUMMARY

RESULTS

	Year ended 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Revenue	615,096	820,542	944,793	868,211	**858,780**
Profit/(loss) before taxation	102,807	138,644	(646,539)	(56,950)	**32,359**
Income tax expense	(32,839)	(34,464)	(14,012)	(20,444)	**(19,067)**
Profit/(loss) and total comprehensive income/(expense) for the year	69,968	104,180	(660,551)	(77,394)	**13,292**
Profit/(loss) and total comprehensive income/(expense) attributable to:					
– Owners of the Company	65,426	100,478	(664,336)	(80,914)	**8,157**
– Non-controlling interests	4,542	3,702	3,785	3,520	**5,135**
	69,968	104,180	(660,551)	(77,394)	**13,292**

NET ASSETS AND TOTAL EQUITY

	As at 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Total assets	940,983	1,227,129	601,916	626,814	**685,031**
Total liabilities	422,744	599,753	636,035	738,615	**793,099**
Net assets/(liabilities)	518,239	627,376	(34,119)	(111,801)	**(108,068)**
Equity attributable to owners of the Company	501,183	606,578	(57,758)	(138,615)	**(130,458)**
Non-controlling interests	17,056	20,798	23,639	26,814	**22,390**
Total equity/(Total deficit in equity)	518,239	627,376	(34,119)	(111,801)	**(108,068)**