

Stock Code: 6098

服務成就美好生活



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CORPORATE OVERVIEW

Country Garden Services Holdings Company Limited (the “**Company**” or “**CG Services**”) (stock code: 6098.HK) is a leading integrated service provider in the People’s Republic of China (the “**PRC**”) covering diversified business forms. The Company and its subsidiaries (the “**Group**” or “**We**” or “**CG Services Group**”) have won industry-leading customer satisfaction rate and gained high recognition in the industry with our outstanding service quality and service brands. We have won well-recognized awards in the industry including “2024 China Leading Property Service Company for Top Brand of Specialized Operation” (2024中國物業服務專業化運營領先品牌企業) and “2024 Outstanding Property Management Brands in China in terms of Service Satisfaction” (2024中國物業服務滿意度優秀品牌) granted by China Index Academy; “2024 First in Property Management Companies in China in terms of Comprehensive Strength” (2024中國物業企業綜合實力第一名) and “2024 China’s Model Property Management Companies for Characteristic Properties” (2024中國物業服務特色物業樣本標竿企業) granted by YIHAN (億翰智庫); and “2024 First in TOP 20 Listed Property Management Companies in China” (2024年中國物業管理上市公司20強第一名) and “2024 TOP 10 Leading Listed Property Management Companies in China in terms of ESG Sustainable Development” (2024中國物業管理上市公司領先企業ESG可持續發展TOP10) granted by CRIC.

Founded in 1992, the Group achieved 33 years of steady development. It always adheres to the service concepts of “Catering for property owners’ urgent needs; address property owners’ concerns” and “Property owner-oriented”. With strong business capability and lean management, it has completed three major certifications of the British Standards Institution (BSI), being quality management system ISO, environmental management system ISO and occupational health and safety system. It has formed a comprehensive and efficient property management service system, and is committed to letting property owners experience the beauty of property management services through strong offline service system and consolidation of community business resources. Furthermore, it provides full life-cycle services by focusing on preservation and appreciation of the value of owners’ real estates.

Our major business sectors include: (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) the water, electricity, heat supply and property management (the “**Three Supplies and Property Management**”) businesses, (v) city services, and (vi) commercial operational services, which constitute part of our comprehensive services we provide to customers that cover the full range of value chain in property management. As at 31 December 2024, apart from the “Three Supplies and Property Management” businesses, our revenue-bearing gross floor area (“**GFA**”) was approximately 1,036.9 million sq.m.. In addition, the revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” businesses was approximately 90.3 million sq.m.. We managed a total of 7,895 property projects. These projects cover 31 provinces, municipalities, autonomous regions in Mainland China and the Hong Kong Special Administrative Region and overseas, with a focus on five key economically developed city clusters, including the Pearl River Delta, the Yangtze River Delta, the middle reaches of the Yangtze River, the Beijing-Tianjin-Hebei Region and the Chengdu-Chongqing Region in China. In particular, the percentage of the revenue-bearing GFA of projects in first and second-tier cities amounted to approximately 40.7%.

Property management services – We provide property owners, residents and property developers with a series of property management services, including security, cleaning, green landscaping, gardening, repair and maintenance, and other services. We have been optimizing our property management portfolio and enriching our forms of projects. Currently, our property management portfolio covers residential properties, commercial properties, office buildings, industrial parks, multi-purpose complexes, government buildings, hospitals, schools and other public facilities, such as airport terminals, highway service stations, scenic areas and other non-residential properties.

Community value-added services – We are committed to becoming an “integrated whole-cycle community life services operator”. By focusing on the family growth cycle of property owners, the property value cycle and the mature development cycle of communities, we strive to provide property owners with comprehensive community life services to meet their needs for asset value preservation and appreciation and daily life needs, so as to enable property owners to experience the beauty of property management services. Community value-added services have been developed as a new engine to drive sustainable and stable growth of the Group. Rooted in community and property service scenarios, we continuously build customer-satisfying, differentiated and market-oriented community value-added services. Five major businesses have formed in our community value-added services sector: (i) home services; (ii) community media services; (iii) local living services; (iv) real estate brokerage services; and (v) community area services.



“Three Supplies and Property Management” businesses – In 2018, we established a joint venture and began to enter the separation and transfer of property management and heat supply on the “Three Supplies and Property Management” Reform. Since our establishment, we continued to promote in-depth integration with our partners and had achieved initial results in terms of operation management, market expansion, quality management, intelligent construction and community value-added services. We jointly promoted the gradual expansion of our business scope to the integrated services provided to office properties, and the plants, industrial parks, oil and gas plants and stations of petroleum and petrochemical enterprises, and the integrated logistics services provided to state-owned enterprises including staff canteens. We will give full play to our successful experience in this benchmarking project and continue to further develop the “Three Supplies and Property Management” field by establishing a new operating mechanism and exploring a new management model.

City services – The Group focuses on core sectors including smart city (ecological) environmental operation and maintenance, solid waste treatment and resource utilisation, environmental governance, green technology services, manufacturing of environmental technology equipment, industrial park services, operation and maintenance of high-speed transportation and hubs, in order to deliver integrated environmental governance solutions for urban development, industrial upgrading and livable communities covering eco-friendly design, construction and renovation and smart operations.

Commercial operational services – The Group provides shopping malls, neighborhood centers, office buildings and other projects with full-chain services such as business planning consulting, tenant sourcing, operation and planning services, mainly including (i) conducting commercial operation and management of the properties owned by leasing developers or property owners; (ii) providing property market research and positioning services at the investment stage of property developers; (iii) providing market research and positioning, business planning consulting, tenant solicitation and opening preparation services to property developers or owners at the preparation stage before the opening of the properties; and (iv) providing tenant solicitation, operation and management services to property owners or tenants at the stage of property operation.

On 19 June 2018, the Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), indicating its formal entrance into the international capital market. Since the listing, its position in the international capital market was gradually enhanced – It was included as a constituent stock of the MSCI China All Shares Index on 31 August 2018, and was included as a constituent stock of the Hang Seng Composite LargeCap & MidCap Index and in the Hong Kong Stock Connect stock list on 10 September 2018. The Company implements environmental, social and governance (“**ESG**”) concepts and practices in its business operations and has obtained industry-leading international ESG ratings, receiving a rating of A in the MSCI ESG ratings assessment; the Company was rated as “low-risk” by the Sustainalytics ESG Risk Ratings (with a score of 14.2) and has been honored as the enterprise with the “Highest Regional (Asia Pacific) ESG Rating” for three consecutive years since 2023; was rated 44 on the S&P Global ESG Scores; and was selected as a constituent stock of FTSE4Good Index Series by FTSE Russell in December 2022 and has maintained such rating since then.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Binhuai (*President*)
Mr. Xiao Hua
Mr. Guo Zhanjun (*resigned on 3 April 2024*)

Non-executive Director

Ms. Yang Huiyan (*Chairman*)

Independent Non-executive Directors

Mr. Mei Wenjue
Mr. Rui Meng
Mr. Chen Weiru
Mr. Zhao Jun (*appointed on 3 April 2024*)

AUDIT COMMITTEE

Mr. Rui Meng (*Chairman*)
Mr. Mei Wenjue
Mr. Chen Weiru
Mr. Zhao Jun (*appointed on 3 April 2024*)

REMUNERATION COMMITTEE

Mr. Chen Weiru (*Chairman*)
Ms. Yang Huiyan
Mr. Mei Wenjue

NOMINATION COMMITTEE

Ms. Yang Huiyan (*Chairman*)
Mr. Rui Meng
Mr. Chen Weiru
Mr. Zhao Jun (*appointed on 3 April 2024*)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Xu Binhuai (*Chairman*)
Mr. Xiao Hua
Ms. Yang Huiyan (*appointed on 3 April 2024*)
Mr. Chen Weiru (*appointed on 3 April 2024*)
Mr. Zhao Jun (*appointed on 3 April 2024*)
Mr. Guo Zhanjun (*resigned on 3 April 2024*)

DEBT RECOVERY COMMITTEE*

Mr. Xu Binhuai (*Chairman*) (*appointed on 22 August 2024*)
Mr. Xiao Hua (*appointed on 22 August 2024*)
Mr. Rui Meng (*appointed on 22 August 2024*)

JOINT COMPANY SECRETARIES

Mr. Chen Dilin (*appointed on 3 April 2024*)
Mr. Leung Chong Shun (*Solicitor in Hong Kong*)
Mr. Huang Peng (*resigned on 3 April 2024*)

AUTHORISED REPRESENTATIVES

Mr. Xu Binhuai
Mr. Chen Dilin (*appointed on 3 April 2024*)
Mr. Huang Peng (*resigned on 3 April 2024*)

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4th Floor, Ruttonjee House
Ruttonjee Centre
11 Duddell Street
Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

West Building of Country Garden Office
Beijiao Town
Shunde District, Foshan
Guangdong Province
PRC

CAYMAN ISLANDS 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

HONG KONG BRANCH SHARE REGISTRAR

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

AUDITORS

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway, Hong Kong

* In addition to the Directors presented, there are another two members that are core management of the Company



LEGAL ADVISERS

As to Hong Kong laws:

WOO KWAN LEE & LO

26/F, Jardine House, 1 Connaught Place, Central
Hong Kong

DENTONS HONG KONG LLP

Suite 3201, Jardine House, 1 Connaught Place, Central
Hong Kong

As to PRC laws:

DeHeng Law Offices (Shenzhen)

11/F, Section B, Anlian Plaza, No. 4018 Jintian Road
Futian District, Shenzhen, PRC

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Industrial and Commercial Bank of China (Asia) Limited

The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE

www.bgyfw.com

STOCK CODE

6098

LISTING DATE

19 June 2018



MAJOR EVENTS

1

January

Guangdong Bi'An Electromechanical Engineering Co., Ltd. (廣東碧安機電工程有限公司), a subsidiary of the Company, initiated a strategic upgrade in its direct-operation reform as a specialized engineering company. With facility operation and maintenance, urban after-sales services and energy management as its core drivers, the company established a "3+2" business matrix, driving a 299% surge in external revenue and building the Group's second growth curve.



2

February

Over 1,000 "Triple-A" employees in total were selected for CG Services' "Golden Tung Prize", including "Golden Tung Top 30 and Top 10" for butlers, gate posts, engineering, cleaning and greening employees and "Golden Tung Top 10 and Top 3" for on-site project employees in order to inspire more employees to learn from exemplary service models and enhance their professional skills, thereby better safeguarding communities and providing property owners with safe, comfortable, convenient and aesthetically pleasant environments, contributing to their better quality of life.



3

March

The Group announced its 2023 annual results, with revenue increasing to approximately RMB42.61 billion, representing a year-on-year increase of 3%; the degree of market-oriented operations was high, with the proportion of revenue generated from third parties further increasing to a record high of approximately 96.9%. The Company attaches great importance to returns to the shareholders of the Company (the "Shareholders"), declaring a final dividend and special dividend totalling RMB29.46 cents per Share. The Group focused on improving service quality, adhering to its community value-added development strategy, driving digital transformation initiatives and dedicating efforts to continuously elevate customer service experiences.



4

April

The digital operation of the Group was comprehensively upgraded. The digitalisation of elevators started its online trial operations and was fully launched and implemented within the year ended 31 December 2024 (the “Year” or the “current year”), precisely and efficiently enhancing the customers’ experience of riding elevators. At present, the digitalisation of elevators has covered 3,925 projects, with 154,692 elevators online, accounting for 88.3% of the total number of elevators under management. The complaint rate on elevators has decreased by nearly 30% compared with the same period last year.



5

May

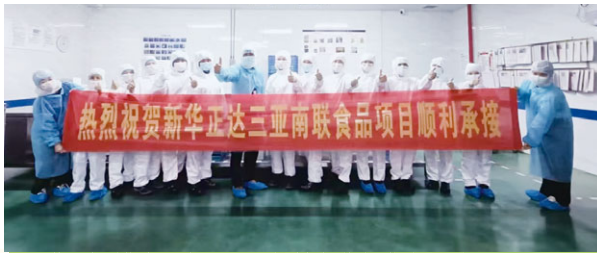
The “2023 ESG Report” released by the Group reveals that it invested RMB400 million in refurbishing community facilities, with a satisfaction rate of 93.97% among property owners; R&D investment reached RMB320 million, and quality and efficiency of digitalisation + AIOT empowered businesses were improved and increased; actively participated in rural revitalisation and public welfare, with cumulative consumption support for agriculture amounting to RMB46.88 million; employee training coverage rate reached 89.17%, and sense of happiness increased by 3.99%; committed to green operations, with over 20 projects obtaining the “Sustainable Building Index Verified Mark”; recognised by international authoritative rating agencies, and received multiple awards including a rating of BBB in the MSCI ESG ratings assessment.



6

June

The Group tapped into Yantai Penglai International Airport. This marks the first time that Haikou Xinhua Zhengda Airport Services Co., Ltd. (海口新华正达空港服务有限公司) (“Xinhua Zhengda”), a subsidiary of the Company, entered Shandong Province, signifying an important development in Xinhua Zhengda’s strategic layout. In the same month, Xinhua Zhengda also took over the Nanlian Food Project at Sanya Phoenix International Airport, opening a new chapter for Xinhua Zhengda in the business of aviation food distribution and delivery.



Major Events

7

July

In order to advocate long-termism and guide the core management to focus on long-term value creation, the Company adopted a share option scheme by a resolution at the general meeting and thereafter the Company granted share options by the board of directors of the Company (the "Board"). The first batch of share options covered the core management of the Company, with a total of 225,350,000 share options granted.



8

August

The Group's revenue for the first half of 2024 increased to approximately RMB21.05 billion, representing a year-on-year growth of 1.5%; the degree of market-oriented operations increased, with the proportion of revenue generated from third parties reaching 98.7%. The Group focused on service quality and customer satisfaction, and increased its investment in digitalisation, and continued to expand community value-added services, committed to enhancing the property owners' sense of happiness in their living.



9

September

Typhoon "Bebinca" swept through Dangshan County, where fruit farmers suffered severe damage. CG Services actively promoted the charitable public welfare concept of "Purchasing instead of Donating", fulfilled its corporate social responsibility, and contributed to the affected fruit farmers.



10

October

The Group's "No. 0 Resident (零號居民)" robot completed fully autonomous operational trials in multiple scenarios, which verified the model of one robot serving multiple buildings, operating during both day and night and collaborating with humans. It has realised the value in improving cleaning quality, enhancing operational efficiency, and reducing the intensity of cleaning work. A resolution was passed during the month, marking its transition into the mould-making stage.



11

November

The Group launched the "Cornerstone Scheme" with a purpose of addressing the business shortcomings of regional general managers and project general managers across the country through a combination of training and practical operation, supporting the Group to solidify its operational foundation and enhance market capabilities at the lower-end market.



12

December

The 16th Healthy China Forum kicked off, during which CG Services officially announced the launch of the "Health for Every Household (健康進萬家)" project in 2025. Through the "Smart Community Choice (智享樓下心選)" platform, CG Services will roll out comprehensive health education and awareness campaigns across communities. It aims to promote the industrial upgrading of agricultural products in various regions through the "Traceability" activity, and deliver more high-quality food ingredients to family dining tables speedily with the innovative community partner model.



AWARDS AND HONOURS



1	2024 TOP 100 Property Management Companies in China	Beijing China Index Academy
2	2024 Outstanding Property Management Companies in China in terms of ESG Development	Beijing China Index Academy
3	2024 Outstanding Companies in China in terms of Commercial Property Service Capability	Beijing China Index Academy
4	2024 Leading Property Management Companies in China in terms of Marketisation of Business	Beijing China Index Academy
5	2024 TOP 10 of the TOP 100 Property Management Companies in China in terms of Business Performance	Beijing China Index Academy
6	2024 TOP 10 of the TOP 100 Property Management Companies in China in terms of Service Scale	Beijing China Index Academy
7	2024 Outstanding Companies in China in terms of Residential Property Service Capability	Beijing China Index Academy
8	2024 Leading Companies in China in terms of Property Technology Empowerment	Beijing China Index Academy
9	2024 Leading Companies in China in terms of Smart City Service	Beijing China Index Academy
10	2024 First in TOP 20 Listed Property Management Companies in China	CRIC Property Management, CRIC (Shanghai) Information Technology Co., Ltd.
11	2024 TOP 10 Leading Listed Property Management Companies in China in terms of Management Scale	CRIC Property Management, CRIC (Shanghai) Information Technology Co., Ltd.
12	2024 TOP 10 Leading Listed Property Management Companies in China in terms of Market Value Recognition	CRIC Property Management, CRIC (Shanghai) Information Technology Co., Ltd.
13	2024 TOP 10 Leading Listed Property Management Companies in China in terms of Revenue Scale	CRIC Property Management, CRIC (Shanghai) Information Technology Co., Ltd.
14	2024 TOP 10 Leading Listed Property Management Companies in China in terms of ESG Sustainable Development	CRIC Property Management, CRIC (Shanghai) Information Technology Co., Ltd.
15	2024 First in Property Management Companies in China in terms of Comprehensive Strength	YIHAN, YIHAN Property Management Research

Awards and Honours



16	2024 TOP 10 Companies for City Services in China	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
17	2024 First in TOP 100 Property Management Companies in China in terms of Comprehensive Strength	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
18	2024 China's Model Property Management Companies for Characteristic Properties (Community Value-added Services)	YIHAN, YIHAN Property Management Research
19	2024 First in TOP 20 Listed Property Management Companies in China's Property Management Industry	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
20	2024 TOP 5 Listed Property Management Companies in China in terms of Market Value	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
21	2024 TOP 5 Listed Property Management Companies in China in terms of Firm Scale	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
22	2024 ESG Rating for Property Management Companies in China – Grade AA	YIHAN, YIHAN Property Management Research
23	2024 First in Listed Property Management Companies in China	YIHAN, YIHAN Property Management Research
24	2024 TOP 10 Listed Property Management Companies in China in terms of Cash and Cash Equivalents	YIHAN, YIHAN Property Management Research
25	2024 Listed Property Management Companies in China with the Most Long-Term Investment Value	YIHAN, YIHAN Property Management Research
26	2024 First in TOP 500 Property Management Companies in China in terms of Comprehensive Strength	CRIC Property Management, China Property Management Research Institution
27	2024 Leading Companies in China in terms of Residential Property Service	CRIC Property Management, China Property Management Research Institution
28	2024 Outstanding Property Management Brands in China in terms of Service Satisfaction	Beijing China Index Academy
29	2024 First in Property Management Companies in China in terms of Service Capability	YIHAN, YIHAN Property Management Research
30	2024 TOP 100 Property Management Companies in China in terms of Brand Influence	Beijing Zhongwu Zhihui Information Technology Co., Ltd.



CHAIRMAN'S STATEMENT

To create a better society
with our existence



Dear Shareholders,

The board of directors (the “**Directors**”) of the Company respectfully and diligently reports that the Group has achieved a revenue of approximately RMB43,992.9 million, with gross profit of approximately RMB8,400.6 million, and net profit of approximately RMB1,874.5 million for the year ended 31 December 2024. In addition, we recorded a core net profit* attributable to shareholders of the Company of approximately RMB3,038.1 million. In recognition of our shareholders’ unwavering support and trust, the Board has decided to propose a final dividend of RMB13.52 cents per share and a special dividend of RMB16.09 cents per share for 2024.

2024 marked an exceptionally challenging and extraordinary year in the development journey of CG Services. With a shared vision and concerted efforts, the Company’s management and staff at all levels worked together to face all kinds of uncertainties and challenges, enabling the Company to advance steadily and achieve stable operating results. In terms of financial indicators, our core businesses (property management services, community value-added services and the “Three Supplies and Property Management” business) maintained a robust momentum as the cornerstone of our performance. During the Year, the total adjusted revenue^ of core businesses increased by 10.2% as compared to that for the same period last year, and its proportion to total revenue continued to rise to 87.0%. Meanwhile, the profitability of core

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

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



businesses remained stable, with total adjusted gross profit[#] increasing by 6.4% as compared to that for the same period last year. In terms of cash flow management, we have taken measures, such as establishing a debt recovery committee and integrating marketing efforts to promote prepayments, to strictly control the cash flow, which enabled us to achieve a ratio of net cash generated from operating activities to core net profit attributable to the owners of the Company of 1.3 times for the year, representing an improvement of 0.1 time as compared to that at the end of 2023. A healthy cash flow is critical to the operations of property management enterprises. We will continue to optimise dynamic tracking for cash flows and establish long-term and effective collection mechanism through multiple measures to guarantee the sustainable safety and health of cash flows. During the Year, our businesses have been operated independently in a highly market-oriented manner, with the proportion of revenue from recurring and sustainable third-party clients further increasing to 98.9%, while risks associated with related parties have been effectively controlled.

Over the past year, national policies further clarified the high-quality development direction of the property management service industry, and anchored the core of industry competition on service quality and innovation capabilities. Property service industry has therefore ushered in a critical transformation period from scale expansion to quality advancement. CG Services always adheres to the core concept of “servicing you a better life”, actively respond to the national call, and comprehensively promoted service upgrades and digital transformation by taking consolidation of service as the foundation and strengthening technological empowerment as strategic tools. During the Year, we firmly implemented the strategic objectives of the three-year plan, achieving significant breakthroughs in operational capability, AI capability and business management capability. In terms of operational capability, we initially established 6 major operating systems for services for the first time. We continuously improved service efficiency and quality by constantly cultivating our service grading system and digital operations, striving to provide our property owners with high-quality services that offer excellent value for their money and create a more harmonious and beautiful community. In terms of AI capability, we actively introduced big data models and positioned AI capability as the core trend for future development of the industry, as well as the core competitiveness of enterprises. In terms of management capability, we achieved significant development for management capability by integrating professional competencies represented by liquor sales with ecosystem building.

Against the backdrop of the times, with the new goal of achieving digital transformation of property management, we have been continuing to advance the all-round construction of an operating system based on digital capabilities, and took the lead in implementing breakthroughs in AI technology in key property business scenarios. We have created an intelligent closed loop to cover customer services, equipment management and operational decision-making. In terms of operational decision-making, we independently developed the “No. 0 Assistant (零號助理)” based on the technologies of large-scale AI models and took the lead in launching two applications, “I See (一看)” and “I Win (一問)”, to support rapid business decision-making and improve business efficiency and service quality. In addition, in terms of smart Internet of Things (IoT), we have independently developed hardware for replacements, deeply integrated AI technologies, and rejuvenated and upgraded communities through IoT transformation to improve service quality and ensure customer safety. Our elevator maintenance was performed by AI intelligent, which realized automatic order placement and review process within 10 seconds; our charging station operation capacity has been fully upgraded, providing safe charging for more than 3.4 million users for over 8.6 million times; and our independently-developed cleaning robot “No. 0 Resident (零號居民)” has reconstructed a new model of human-machine collaboration and has been in regular use in seven communities, running continuously and without any problems. It's expected that hundreds of this cleaning robots will be deployed for projects by 2025.

Organizational vitality at the front line of services has a profound impact on customer experience and enterprise operational efficiency. We have been continuously upgrading the “Qingteng Plan (青藤計劃)” to promote resource integration and service innovation. With mechanisms as the soil to nourish our decision-making vitality, we delegated more decision-making power to the front-line “Qingteng” units, and achieved the goal of “problems being discovered at the front line, decisions being made at the front line” in terms of customer demand response and resource allocation. We have strengthened data-based performance management, established a dynamic evaluation system, and used core data such as satisfaction and improvement rate to calibrate direction in real time to ensure that resources would be tilted towards teams that could create long-term value. In the future, we will continue to be guided by the “Qingteng Spirit (青藤精神)” to promote organizational fission, allow scientific management to take deeper roots, intensive services to cover a wider range, and the talent team to grow more vigorously.

[#] Being the gross profit after excluding the amortisation charges such as intangible assets – contracts and customer relationship and brands arising from mergers and acquisitions, and adding back the revenue from the Uncollected Amounts from the High Risk Customers.



Chairman's Statement

CG Services adheres to the philosophy of sustainable development to better guide business development. Our ESG practices have long been recognized by international rating agencies. We have an A ESG rating from MSCI, have been rated as the enterprise with the “Highest Regional (Asia Pacific) ESG Rating” by Sustainalytics for three consecutive years, and have been selected as a constituent stock of the FTSE4Good Index Series by FTSE Russell for three consecutive years. We always practice ESG concepts in our operations. During the Year, the Group completed the renovation of over 36,000 energy-saving lamps and 864 water pumps, saving over 17.4 million kWh of electricity throughout the Year. Approximately RMB774 million has been invested in the communities, and renovation work on old facilities was carried out in more than 3,800 projects during the Year, helping the communities to take on a new look. In addition, referring to international cutting-edge standards, we pioneered a sustainable residential community certification system in the property industry and officially launched the certification for such system. As of the end of 2024, the “Sustainable Development Residential Community Certification System Pilot” program has been implemented in multiple regions. A total of 9 residential projects have passed the certification, involving 14 certification dimensions.

Country Garden Services has always insisted on taking Party building as the core engine of property management. As of the end of 2024, the Group has established 597 Party branches, 1,980 Party and mass volunteer service teams, covering 7,011 Party members. During the Year, the Group carried out 20,656 Party building and Party-mass volunteer service activities, and was awarded 78 national provincial and municipal honors. The Red Communities we have built under the guidance of Party building have woven a “warm, resilient and vibrant” social governance network with the power of industry pioneers, further enhancing the residents’ sense of happiness and gain. We deeply integrated the Red Communities Project into community governance by setting up Party branches in grassroots projects and building a vanguard team of “Party Member Demonstration Posts” and “Red Butlers”. On this basis, we innovatively built a community co-governance platform, and, jointly with the subdistrict-level Party working committees, owners’ committees, social organizations and residents’ representatives, promoted the efficient implementation of people’s livelihood issues such as the renovation of old elevators and parking space planning, and customized “One-on-One” Party member assistance services for special groups.

Looking ahead, we will continue to adhere to the management philosophy of “Employee-oriented and Customer First (員工為本·客戶至上)”, and take the “stabilizing the situation, maintaining growth, and seeking breakthroughs” as the key tone of strategy implementation, and on the basis of maintaining the steady development of the basic business foundation and through strategic layout and innovation-driven approaches, focus on breakthroughs to create new growth curves. We will deepen the scenario-based capability building for residential property services, focus on strengthening the creation of a digital-based operation system, continue to promote the practice of artificial intelligence in the property field, enhance customer experience and ensure customer safety through the deep integration of large-scale AI models and the transformation and development of the IoT. We will strengthen the management system and organizational talent development and continue to promote the “Qingteng Plan”. We will continue to lead the property management industry in embracing the wave of artificial intelligence through technological innovation and service upgrades, thereby contributing to the upgrading and development of the industry.

Finally, on behalf of the Board, I would like to express my sincerest gratitude to the management team and all employees. Your professionalism and enthusiasm are the cornerstone of CG Services’ steady progress. Your relentless efforts and dedication have been deeply imprinted in every step of the Company’s development. At the same time, CG Services also extends sincere gratitude to its shareholders and the broader community for their trust and support, and thank you for growing with us for another year. In the future, we will take firm steps and move forward by providing quality services, anchoring the future with responsibility and drawing up a blueprint with confidence, so as to jointly open a new chapter of high-quality development of the industry and create continuous and long-term value for the society. We will actively respond to changes and forge ahead, repay every trust with practical actions, and work hand in hand with all partners to create a better future.

To create a better society with our existence.

To shape a prosperous future through our conscience and social responsibility awareness.

Yang Huiyan
Chairman of the Board

Foshan, China, 27 March 2025



FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Revenue	15,600,421	28,843,011	41,366,573	42,611,511	43,992,889
Profit before income tax	3,714,727	5,672,839	3,485,638	1,079,650	2,706,706
Income tax expense	(933,070)	(1,323,386)	(1,224,302)	(562,939)	(832,198)
Profit for the year	2,781,657	4,349,453	2,261,336	516,711	1,874,508
Profit attributable to:					
Owners of the Company	2,686,128	4,033,395	1,943,422	292,335	1,808,357
Non-controlling interests	95,529	316,058	317,914	224,376	66,151
	2,781,657	4,349,453	2,261,336	516,711	1,874,508
Earnings per share for profit attributable to owners of the Company (expressed in RMB cents per share)					
Basic	97.62	128.42	57.68	8.69	54.16
Diluted	96.32	128.01	57.68	8.69	54.16

CONSOLIDATED FINANCIAL POSITION

	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current assets	7,915,834	35,612,262	35,420,402	33,374,697	29,026,079
Current assets	23,288,043	31,200,496	34,656,494	35,869,377	42,228,452
Current liabilities	14,232,797	24,790,556	24,994,171	26,383,515	28,332,463
Net current assets	9,055,246	6,409,940	9,662,323	9,485,862	13,895,989
Total assets less current liabilities	16,971,080	42,022,202	45,082,725	42,860,559	42,922,068
Non-current liabilities	812,042	3,648,709	5,173,725	4,078,482	3,843,346
Equity attributable to owners of the Company	14,565,740	36,186,874	37,456,431	36,155,873	36,617,030
Non-controlling interests	1,593,298	2,186,619	2,452,569	2,626,204	2,461,692
Total equity	16,159,038	38,373,493	39,909,000	38,782,077	39,078,722



MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS REVIEW

The Group is a leading integrated service provider in the PRC covering diversified business forms. Our business covers many business forms, including services to residential properties, commercial properties, office buildings, industrial parks, multi-purpose complexes, government buildings, hospitals, schools and other public facilities, such as airport terminals, highway service stations and cultural scenic areas. We have won industry-leading customer satisfaction and brand reputation with quality services, as well as gained high recognition in a number of sub-segments of the industry. We have won well-recognized awards in the industry including “2024 China Leading Property Service Company for Top Brand of Specialized Operation” (2024中國物業服務專業化運營領先品牌企業) and “2024 Outstanding Property Management Brands in China in terms of Service Satisfaction” (2024中國物業服務滿意度優秀品牌) granted by China Index Academy; “2024 First in Property Management Companies in China in terms of Comprehensive Strength” (2024中國物業企業綜合實力第一名) and “2024 China’s Model Property Management Companies for Characteristic Properties” (2024中國物業服務特色物業樣本標竿企業) granted by YIHAN (億翰智庫); and “2024 First in TOP 20 Listed Property Management Companies in China” (2024年中國物業管理上市公司20強第一名) and “2024 TOP 10 Leading Listed Property Management Companies in China in terms of ESG Sustainable Development” (2024中國物業管理上市公司領先企業ESG可持續發展TOP10) granted by CRIC.

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





Property Management Services

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

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

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



Management Discussion and Analysis

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

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

Community Value-added Services

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

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

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



Management Discussion and Analysis

Value-added Services to Non-Property Owners

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

“Three Supplies and Property Management” Business

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

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

City Services

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

Commercial Operational Services

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



Management Discussion and Analysis

PROSPECTS AND FUTURE PLANS

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

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

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

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

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

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

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



CG Services has already carried out a series of strategic initiatives in its journey of AI transformation. Supported by our independent R&D capabilities, our large-scale modeling digital assistant “I See” (一看) and “I Win” (一问) has been fully connected to DeepSeek, which has significantly enhanced the standardization and management efficiency of our project operations and business management. Our industry-leading cleaning robot, “No. 0 Resident”, is now in regular use in 7 residential communities, and operates continuously without malfunctions. Its unique intelligent cleaning model featuring human-machine collaboration will significantly reduce labor intensity.

Management Discussion and Analysis

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

FINANCIAL REVIEW

Revenue

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

(I) Property management services

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

The following table sets out the breakdown of the revenue-bearing GFA of the properties developed by Country Garden Real Estate Group and the properties developed by independent third-party property developers for the years indicated:

	As at 31 December 2024		As at 31 December 2023	
	Revenue-bearing GFA ('000 sq.m.)	(%)	Revenue-bearing GFA ('000 sq.m.)	(%)
Properties developed by independent third-party property developers	530,859	51.2	480,757	50.2
Properties developed by Country Garden Real Estate Group ^(Note 1)	506,013	48.8	476,168	49.8
Total	1,036,872	100.0	956,925	100.0

Note 1: Properties developed by Country Garden Holdings Company Limited (**"CG Holdings"** or **"CGH"**) and its subsidiaries (**"CGH Group"**), joint ventures and associates (the **"Country Garden Real Estate Group"**) independently or jointly with other parties.

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



Management Discussion and Analysis

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

(II) Community value-added services

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

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

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

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

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

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

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

(IV) “Three Supplies and Property Management” Business

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

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

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

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

(V) City Services

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

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

(VI) Commercial Operational Services

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

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



Management Discussion and Analysis

Costs

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

Gross Profit and Gross Profit Margin

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

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

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

(i) *Property management services*

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

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

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



(ii) Community value-added services

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

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

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

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

(iv) “Three Supplies and Property Management” Business

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

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

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

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

(v) City Services

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

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

(vi) Commercial Operational Services

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

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



Management Discussion and Analysis

General and Administrative Expenses

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

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

Other Income

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

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

Other Gains — Net

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

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

Income Tax Expense

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

Profit for the Year

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

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

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

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

Net Cash Generated from Operating Activities during the Year

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

Management Discussion and Analysis

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

The Equity Attributable to Owners of the Company

The equity attributable to owners of the Company increased from approximately RMB36,155.9 million as at 31 December 2023 to approximately RMB36,617.0 million as at 31 December 2024, representing an increase of approximately RMB461.1 million, which was mainly attributable to the combined effect of: (i) the increase in equity attributable to owners of the Company due to the total comprehensive income attributable to owners of the Company of RMB1,913.3 million for the Year, (ii) the decrease in equity attributable to owners of the Company due to the dividend distribution of RMB984.9 million for the Year, (iii) the purchase of a total of 106,880,000 ordinary shares with a par value of US\$0.0001 each in the issued share capital of the Company (the “**Shares**”) by the trustee pursuant to the share award scheme through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect mechanisms during the Year, and the total consideration paid for the purchase of such shares, amounting to RMB545.4 million, had been deducted from equity attributable to owners of the Company.

Intangible Assets

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

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

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

Financial Assets at Fair Value through Other Comprehensive Income

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

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

Trade and Other Receivables

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

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



Management Discussion and Analysis

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

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

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

Contract Liabilities

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

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

Trade and Other Payables

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

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

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

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

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

Capital Management

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



Management Discussion and Analysis

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

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

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

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

Liquidity, Financial and Capital Resources

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

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

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

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

Key Risk Factors and Uncertainties

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

Industry Risk

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



Management Discussion and Analysis

Business Risk

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

Foreign Exchange Risk

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

Employees and Remuneration Policies

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

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

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

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

Employee Training and Development

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

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



Management Discussion and Analysis

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

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

Charge on Assets

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

Contingent Liabilities

Please refer to note 33 to the consolidated financial statements in this report for details of contingent liabilities as at 31 December 2024, which were contingent considerations arising from business combinations. Save as disclosed, the Group did not have any other contingent liabilities.

External Guarantee

As at 31 December 2024, save as disclosed in note 43 to the consolidated financial statements in this report, the Group did not have any other external guarantee.

Material Acquisitions, Disposals and Significant Investments

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

MAJOR EVENTS DURING THE YEAR

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

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

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



Management Discussion and Analysis

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

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

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

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

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

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

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

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



Management Discussion and Analysis

Grant of Share Options

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

Establishment of the Debt Recovery Committee

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

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

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

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

Change of Auditors

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

Adoption of New Share Award Scheme

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



Management Discussion and Analysis

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

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

Intention to Conduct On-market Share Repurchase

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

SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

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



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Ms. Yang Huiyan (楊惠妍), aged 43, was appointed as a non-executive Director and the chairman of the Board on 9 March 2018 and is responsible for the formulation and provision of guidance and development strategies for the overall development of the Group. Ms. Yang is also the chairman of the nomination committee, a member of the remuneration committee and the environmental, social and governance committee of the Company, as well as a director of certain members of the Group. Ms. Yang is a controlling shareholder of the Company.

Ms. Yang joined CGH in March 2005 as a general manager of the procurement department, where she was responsible for overall procurement decision making until November 2006. Ms. Yang was appointed as an executive director of CGH in December 2006, a vice chairman of CGH in March 2012 and was re-designated from a vice chairman of CGH to a co-chairman of CGH in December 2018 and succeeded the chairman of CGH from a co-chairman of CGH in March 2023. Ms. Yang is also the chairman of the nomination committee, the corporate governance committee, the environmental, social and governance committee and the executive committee as well as a member of the remuneration committee and the finance committee of CGH and a director of various subsidiaries of CGH. As at 31 December 2024, Ms. Yang owned a total of 51.94% interest in CGH.

Ms. Yang graduated from Ohio State University in the United States in March 2005, where she obtained a bachelor degree in business administration and she also obtained an EMBA degree from Tsinghua University in 2019. Ms. Yang was awarded “China Charity Award Special Contribution Award” in 2008, “China Poverty Alleviation Award Contribution Award” in 2019 and “The 11th China Charity Award Individual Donor Award” in 2021.

Mr. Xu Binhuai (徐彬淮), aged 46, was appointed as an executive Director, the president, the authorised representative, the chairman of the environmental, social and governance committee and the agent for the service of process in Hong Kong on 10 October 2023. He was later appointed as the chairman of the debt recovery committee on 22 August 2024. Mr. Xu is primarily responsible for the overall strategic decision-making, business planning and major operational decision-making of the Group. Mr. Xu has also been directors and managers of certain members of the Group.

Mr. Xu was appointed as the vice president and the chief strategy officer of the Company successively from October 2016 to October 2023 and was primarily responsible for business innovation strategic planning, operation management, digital management, intelligent manufacturing and community life service business operation.

Prior to joining the Group, Mr. Xu served in various positions in marketing at DHL-SINOTRANS International Air Courier Ltd.* (中外運-敦豪國際航空快件有限公司), including as manager of sales performance team and regional sales and marketing planning manager, where he was mainly responsible for sales planning and performance management from November 2004 to February 2010. He served as the head of marketing department of North Asia region at American President Lines (China) Co., Ltd. (美國總統輪船(中國)有限公司), a logistics company, where he was mainly responsible for marketing and sales management in North Asia region from March 2010 to October 2012. He served as a senior project manager at Roland Berger Strategy Consultants (Shanghai) Company Limited* (羅蘭貝格企業管理(上海)有限公司), where he was in charge of business consulting services to transportation, logistics, tourism, public service sectors and other sectors from November 2012 to February 2016. Mr. Xu joined CGH as the deputy general manager of the corporate strategy office in March 2016 and was mainly responsible for strategic planning of new business lines until September 2016.

Mr. Xu graduated from Fudan University in July 2002, where he obtained a bachelor's degree in macromolecular material and engineering. He graduated from the University of Hong Kong in November 2016, where he obtained a master's degree in business administration.



Biographical Details of Directors and Senior Management

Mr. Xiao Hua (肖華), aged 47, was appointed as an executive Director on 9 March 2018. He has been the vice president of CG Life Services since February 2013 and was appointed as a member of the senior management of the Company on 3 April 2024. Mr. Xiao is primarily responsible for the overall management of Guangzhou Tianli Property Service Co., Ltd* (廣州天力物業發展有限公司), the main domestic entity of Wealth Best Global Limited, and its subsidiaries since January 2022. Mr. Xiao is also a member of the environmental, social and governance committee and the debt recovery committee of the Company, as well as a director of certain members of the Group.

From April 2002 to April 2009, Mr. Xiao worked at the Group as an assistant manager, a deputy manager and a manager at Chencun branch office in Guangdong, where he was mainly responsible for the security management and providing assistance to day-to-day operation of the branch office, and a deputy manager, a manager and a senior manager at Huabi branch office in Guangdong, where he was mainly responsible for the day-to-day operation and management of the branch office. From April 2009 to December 2009, Mr. Xiao was promoted to regional director at Changsha branch office and in January 2010, he was transferred to regional director of Zengcheng branch office, where he was primarily responsible for the overall operation, management and brand development of property management services until February 2013. From February 2013 to December 2018, Mr. Xiao served as vice president of CG Life Services, mainly responsible for the overall management of value-added services to non-property owners. Since January 2019, Mr. Xiao has started to serve as a director of Baoshihua Home Investment Management Company Limited* (寶石花家園投資管理有限公司) ("Baoshihua") and its subsidiaries while serving as the vice president of CG Life services, participating in the overall management of Baoshihua.

Mr. Mei Wenjue (梅文珏), aged 55, was appointed as an independent non-executive Director on 25 May 2018 and is responsible for providing independent advice to the Board. Mr. Mei is also a member of the audit committee and the remuneration committee of the Company.

From 1994 to September 2008, Mr. Mei worked at China Southern Airlines Company Limited (中國南方航空股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600029) and the Main Board of the Stock Exchange (stock code: 1055). From September 2008 to October 2014, he served as the chief representative at the Shenzhen Office of China Europe International Business School (中歐國際工商學院). Mr. Mei served as an independent non-executive director of the board at Miko International Holdings Limited (米格國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1247) from December 2013 to March 2016 and an independent non-executive director of the board at CGH from May 2013 to March 2018. From November 2014 to December 2020, Mr. Mei also served as the general manager at Guangzhou Ruizhi Car Rental Company Limited* (廣州瑞致租車有限公司) (a company primarily engaged in car rental business). Mr. Mei is currently the director of Guangzhou Ruizhi Car Rental Company Limited* (廣州瑞致租車有限公司), where he directs the company strategy planning and he also oversees the overall operations.

Mr. Mei graduated from Sun Yat-Sen University (中山大學) in the PRC, where he obtained a bachelor's degree of English language and literature in June 1994 and a master's degree of administrative management in June 2001. He also received a master's degree in business administration from the School of Management of Cranfield University in the United Kingdom in June 2006.

Mr. Rui Meng (芮萌), aged 57, was appointed as an independent non-executive Director on 25 May 2018 and is responsible for providing independent advice to the Board. Mr. Rui is also the chairman of the audit committee as well as a member of the nomination committee and the debt recovery committee of the Company.

Mr. Rui has been a professor of Finance and Accounting at China Europe International Business School (中歐國際工商學院) since January 2012, and has held the title of Parkland Chair in Finance at China Europe International Business School since October 2015.

Mr. Rui has been professionally qualified as a Certified Financial Analyst by the Association for Investment Management and Research since September 2000 and a Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP) since April 2010.



Biographical Details of Directors and Senior Management

Mr. Rui was an independent director of the board at Shang Gong Group Co., Ltd.* (上工申貝(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600843) from April 2017 to June 2023 and an independent director of the board at Shanghai Hydee Software Corp., Ltd. (上海海典軟件股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 831317) from June 2020 to June 2023.

From June 2021 to August 2021, he was also an independent non-executive director of Sichuan Justbon Life Services Group Co., Ltd.* (四川嘉寶生活服務集團股份有限公司) (formerly known as Sichuan Languang Justbon Services Group Co., Ltd.* (四川藍光嘉寶服務集團股份有限公司) (“**Justbon Services**”), a company whose shares were listed on the Main Board of the Stock Exchange (stock code: 2606) and were withdrawn from listing in August 2021.

He currently serves as an independent non-executive director of the board at China Education Group Holdings Limited (中國教育集團控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 0839), an independent non-executive director of the board of Landsea Green Management Limited (朗詩綠色管理有限公司) (formerly known as Landsea Green Properties Co., Ltd. (朗詩綠色地產有限公司)), a company listed on the Main Board of the Stock Exchange (stock code: 106), an independent non-executive director of the board at Dexin Services Group Limited (德信服務集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2215), an independent director of Jiayin Group Inc., a company listed on the Nasdaq Stock Exchange (stock code: JFIN), an independent director of Bright Scholar Education Holdings Limited (博實樂教育控股有限公司), a company listed on the New York Stock Exchange (stock code: BEDU).

Mr. Rui graduated from University of International Relations (國際關係學院) in the PRC in July 1990, where he obtained a bachelor's degree in international economics. He also received a master's degree of science in economics from Oklahoma State University in the United States as well as a master's degree in business administration and a doctor of philosophy degree in business administration from the University of Houston in the United States in May 1993, December 1996 and August 1997, respectively.

Mr. Chen Weiru (陳威如), aged 54, was appointed as an independent non-executive Director on 25 May 2018 and is responsible for providing independent advice to the Board. Mr. Chen is also the chairman of the remuneration committee and, a member of the audit committee, the nomination committee and the environmental, social and governance committee of the Company.

Mr. Chen served as an associate professor of strategy at China Europe International Business School (中歐國際工商學院) since August 2020. He was an independent director of Fangdd Network Group Ltd. (房多多網絡集團有限公司), a company listed on the Nasdaq Stock Exchange (stock code: DUO) from October 2019 to November 2022, and an independent director of Blue City Holdings Limited (藍城兄弟控股有限公司), a company listed on the Nasdaq Stock Exchange (stock code: BLCT), which withdrawn from listing in August 2022, from January 2021 to August 2022, an independent director of WPG Holdings Limited (大聯大控股股份有限公司, formerly known as 大聯大投資控股股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 3702) from June 2020 to May 2023 and an independent director of the board at Dian Diagnostics Group Co., Ltd. (迪安診斷技術集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300244) from July 2017 to November 2023.

Mr. Chen currently serves as an independent director of the board at TAL Education Group (好未來教育集團), a company listed on the New York Stock Exchange (stock code: TAL), an independent director of the board at Oppl Lighting Co., Ltd. (歐普照明股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603515), an independent director of the board at Jack Technology Co., Ltd. (傑克科技股份有限公司), formerly known as Jack Sewing Machine Co., Ltd. (傑克縫紉機股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603337), an independent non-executive director of Vision Deal HK Acquisition Corp., a special purpose acquisition company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 7827) and an independent director of Universal Vision Biotechnology Co., Ltd., a company listed on the Taipei Exchange (stock code: 3218).

Mr. Chen graduated from National Taiwan University (國立台灣大學) in Taiwan in June 1993, where he obtained a bachelor's degree in business administration. In January 1996, he graduated from Tamkang University (淡江大學) in Taiwan, where he obtained a master's degree in business administration. He received a doctor of philosophy degree in strategic management from Purdue University in the United States in December 2003.



Biographical Details of Directors and Senior Management

Mr. Zhao Jun (趙軍), aged 62, was appointed as an independent non-executive Director on 3 April 2024 and is responsible for providing independent advice to the Board. Mr. Zhao is also a member of the audit committee, the nomination committee and the environmental, social and governance committee of the Company.

Mr. Zhao has been the executive director and the manager of China Fellow Partners Limited (北京復樸道和投資管理有限公司) since 2015. He also currently serves as an independent director of Bright Scholar Education Holdings Limited (博實樂教育控股有限公司), a company listed on the New York Stock Exchange (stock code: BEDU), and Gansu Jingang Solar Co. Ltd. (甘肅金剛光伏股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300093.SZ). In addition, he previously worked for Chinavest Services Limited (中國創業投資服務有限公司) and DT Capital Management Company Limited (德同資本管理有限公司). From January 2015 to August 2021, Mr. Zhao served as an independent non-executive director of China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3968) and the Shanghai Stock Exchange (stock code: 600036.SH).

Mr. Zhao graduated with a bachelor's degree in engineering in marine engineering specialty from Harbin Engineering University (formerly known as Harbin Shipbuilding Engineering Institute) of the PRC in July 1983. He also received a master's degree in engineering from Shanghai Jiao Tong University of the PRC in May 1986, a doctor of philosophy degree in civil engineering from the University of Houston in the United States in June 1993 and a master's degree in business administration from Yale School of Management in the United States in May 2000.

SENIOR MANAGEMENT

Mr. Huang Peng (黃鵬), aged 41, was appointed as the executive president of the Company on 10 October 2023. He has been the chief financial officer since September 2016 and a joint company secretary of the Company since March 2018 till 3 April 2024. He is primarily responsible for the implementation and management of new strategic incubation business (i.e. city services, commercial operational services, Three Supplies and Property Management, real estate agency services, asset management and other new businesses), financial management, strategic and significant investment management of the Group at present. Mr. Huang also serves as directors and supervisors of certain members of the Group.

Prior to joining the Group, from April 2006 to September 2009, Mr. Huang served as listing office manager and manager of securities department in Vtron Group Co., Ltd.* (威創集團股份有限公司) (formerly known as Guangdong Vtron Video Technologies Company Limited* (廣東威創視訊科技股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 002308), which withdrawn from listing in September 2024, where he was responsible for investor relations and investment management. From October 2009 to December 2015, he served in various positions including as the head of finance, secretary of the board and deputy general manager in Pony Test Group Company Limited* (譜尼測試集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300887), where he was responsible for financial management and board secretarial matters. Mr. Huang served as an independent director of the board at Beijing Arrays Medical Imaging Corporation* (北京銳視康科技發展有限公司), a company engaged in production and sales of medical imaging equipment, from December 2015 to December 2016. From May 2024 to March 2025, Mr. Huang served as a non-executive director of Hopefluent, a company listed on the Main Board of the Stock Exchange (stock code: 733).

Mr. Huang graduated from Huazhong University of Science and Technology in the PRC in June 2005, where he obtained a bachelor's degree in transportation. He graduated from Guanghua School of Management of Peking University (北京大學光華管理學院) in the PRC with a master's degree in business administration in July 2012. He is currently taking the course for Executive Master of Business Administration (EMBA) at Cheung Kong Graduate School of Business in the PRC. He became a PRC Certified Public Accountant (中國註冊會計師) certified by the Certified Public Accountant Examination Committee of the Ministry of Finance (財政部註冊會計師考試委員會) in December 2014.



Biographical Details of Directors and Senior Management

Mr. Guo Zhanjun (郭戰軍), aged 45, was appointed as an Executive Director on 9 March 2018 until his resignation on 3 April 2024. He has also been the vice president of CG Life Services since he joined the Group in August 2017 and was appointed as the senior manager of the Company on 3 April 2024. Mr. Guo is primarily responsible for overall management of human resources and coordinating market management of the Group. Mr. Guo is also a director of certain members of the Group.

Prior to joining the Group, from July 2002 to September 2010, Mr. Guo held various positions including human resources supervisor at Zhengzhou Yutong Bus Company Limited* (鄭州宇通客車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600066), manager, senior manager and head of the human resources department at GD Midea Air-Conditioning Equipment Co., Ltd* (廣東美的製冷設備有限公司) and human resources director at AUX Group Co., Ltd.* (奧克斯集團有限公司), a company mainly engaged in the manufacturing and sales of electrical equipment and home appliances. From August 2011 to March 2013, Mr. Guo was the head of the human resources department in the concrete business unit of Zoomlion Heavy Industry Science and Technology Co., Ltd. (中聯重科股份有限公司) (formerly known as Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd. (長沙中聯重工科技發展股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000157) and the Main Board of the Stock Exchange (stock code: 1157).

Mr. Guo joined the CGH Group as a deputy general manager of the training and development department in July 2013 and was promoted to human resources director of Jiangzhong region in April 2014 and general manager of the recruiting department in January 2016, where he was mainly responsible for human resources planning and management. From June 2016 to February 2017, he left the CGH Group and joined the Beijing branch office of Taihot Group Co., Ltd.* (泰禾集團股份有限公司北京分公司), a company listed on the Shenzhen Stock Exchange (stock code: 000732), which withdrawn from listing in August 2023, as a deputy general manager of the human resources department and human resources director of the Beijing region. Mr. Guo returned to the CGH Group as the assistant general manager of the human resources management centre in February 2017 and was responsible for human resources planning and management until June 2017. From 17 June 2021, he has also been a non-executive director of Justbon Services.

Mr. Guo graduated from Renmin University of China (中國人民大學) in July 2002, where he obtained a bachelor's degree in environmental economic and resource management. He is currently studying a doctor of philosophy in Business Administration at Belhaven University.

Mr. Chen Fenghua (陳風華), aged 45, was appointed as senior manager of the Company on 3 April 2024. He is the vice president and director of CG Life Services, a subsidiary of the Company, and the chairman, executive director and president of Justbon Services, a subsidiary of the Company, and is primarily responsible for the overall management of Justbon Services. Mr. Chen also serves as a director of various subsidiaries of the Group.

Mr. Chen has accumulated over 20 years of work experience in the property management industry. He joined CG Life Services in July 2003 and has been engaged in various types of property management projects and served as the person in charge of multiple projects and regions of CG Life Services. Mr. Chen was promoted to the position of vice president of CG Life Services in September 2018, and was responsible for the overall management of the quality of the Group's property management services from September 2018 to June 2021. Mr. Chen has been responsible for the overall management of Justbon Services since June 2021. Mr. Chen has served as a member of the Standardization Working Committee of the Guangdong Property Management Industry Institute* (廣東省物業管理行業協會標準化工作委員會) since April 2019, a member of the Standardization Working Committee of the China Property Management Institute* (中國物業管理協會標準化工作委員會) since July 2019, a deputy director of the Social Life (Residential) Property Intelligent Service Professional Committee of the Guangdong Property Management Association* (廣東省物業管理行業協會社會生活(住宅)物業智慧服務專業委員會) since December 2020. He has been a member of the property management expert think tank of South China University of Technology since June 2021, a vice president of the Sichuan Real Estate Industry Association* (四川省房地產協會) since August 2021, a vice chairman of the Property Management Committee of the Sichuan Real Estate Association* (四川省房地產協會物業管理專委會) since June 2022, and a member of the Highquality Development Advisory Committee of Sichuan Real Estate Industry* (四川省房地產高品質發展諮詢委員會) since August 2023.

Mr. Chen obtained a junior college diploma in property management from the Open University of China in July 2017.



Biographical Details of Directors and Senior Management

Mr. Zhu Xinxing (朱新星), aged 42, was appointed as senior manager of the Company on 3 April 2024 and is the vice president and director of CG Life Services, a subsidiary of the Company. Mr. Zhu is primarily responsible for the overall management of Link Joy Holdings Group Co., Limited ("**Link Joy Holdings**"), a subsidiary of the Company. He also serves as a director and/or president of a subsidiary of Link Joy Holdings and certain subsidiaries of the Company.

Mr. Zhu has accumulated over 20 years of work experience in the property management industry. He joined CG Life Services in June 2002, and has been engaged in various types of property management projects and served as the person in charge of multiple projects and regions of CG Life Services. He was responsible for the overall management of Hainan regional business of CG Life Services from June 2017 to February 2022, the overall management of Guizhou regional business of CG Life Services from May 2020 to September 2021, and the overall management of Hunan regional business of CG Life Services from October 2018 to March 2024. Mr. Zhu was promoted to the position of vice president of CG Life Services in July 2020, and has been responsible for the overall management of Link Joy Holdings since October 2021.

Mr. Zhu graduated from Tangshan College of Science and Technology* (唐山科技專修學院) and obtained a bachelor's degree in economic management.

JOINT COMPANY SECRETARIES

Mr. Leung Chong Shun (梁創順), aged 59, was appointed as a joint company secretary on 9 March 2018. He has been a partner of Woo Kwan Lee & Lo (胡關李羅律師行), a law firm based in Hong Kong, since 1997.

Mr. Leung is currently the company secretary of four other companies listed on the Main Board of the Hong Kong Stock Exchange, namely China Merchants China Direct Investments Limited (招商局中國基金有限公司) (stock code: 0133), China Merchants Port Holdings Company Limited (招商局港口控股有限公司) (stock code: 0144), Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司) (stock code: 2238) and CGH (stock code: 2007).

Mr. Leung graduated from the University of Hong Kong, where he obtained a bachelor's degree in laws in November 1988 and obtained the Postgraduate Certificate in laws in September 1989. He became a qualified solicitor in Hong Kong in October 1991 and in England and Wales in November 1994, respectively. Mr. Leung has been further qualified as a Greater Bay Area Lawyer in 2023.

Mr. Chen Dilin (陳迪霖), aged 39, was appointed as a joint company secretary on 3 April 2024. He joined the Group in March 2024 and serves as the vice president of CG Life Services, a subsidiary of the Company.

Mr. Chen conducted audit and financial due diligence when working at PricewaterhouseCoopers, and has over four and a half years of experiences in mergers and acquisitions, listing advisory and private equity investment in certain renowned financial institutions thereafter. Afterwards, he also gained over eight years of work experiences in capital operations, corporate governance, and new business development in a company listed on the Stock Exchange.

Mr. Chen graduated from the University of International Business and Economics of the PRC in July 2008, where he obtained a bachelor's degree in management. He became an affiliate member of the Association of Chartered Certified Accountants of the United Kingdom in June 2008. Mr. Chen has also obtained the Chinese Legal Professional Qualification in the PRC in June 2023.

* For identification purpose only



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CODE

The Group deeply understands the important role that its Board plays in providing effective leadership and guidance for the businesses of the Group and ensuring the transparency and accountability of the operation of the Group, and knows very well that sound corporate governance will lead the Group towards success and help add value to the Shareholders. Therefore, the Board consistently strives to maintain a high level of business ethics, a healthy corporate culture and sound corporate governance by formulating and implementing corporate governance policies and practices that are in line with the behavior and growth of the businesses of the Group.

During the Year, the Company has adopted and complied with all applicable code provisions set out in the Corporate Governance Code (“**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiries, all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Year. No incident of non-compliance was found by the Company during the Year. Relevant employees who may be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

BOARD OF DIRECTORS

Roles and Functions of the Board and Management

The Board supervises the business, strategic decisions, and performance of the Group and should make decisions objectively in the best interest of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

The Board assumes responsibility for leadership, supervision and control of the Company, and the members of the Board are collectively responsible for directing and supervising the Company's affairs. The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group, including dividend policy and risk management strategies. The management is delegated with the authority and responsibilities by the Board for the day-to-day management and operation of the Group. The management is responsible for the daily management and operation of the Group's business and the implementation of business policies and strategies approved by the Board.

Board Composition

As at 31 December 2024, the Board comprised seven Directors, including two executive Directors (namely Mr. Xu Binhuai (President) and Mr. Xiao Hua), one non-executive Director (namely Ms. Yang Huiyan (Chairman)) and four independent non-executive Directors (namely Mr. Mei Wenjue, Mr. Rui Meng, Mr. Chen Weiru and Mr. Zhao Jun).



Corporate Governance Report

During the Year, the Board comprised the following Directors:

Executive Directors: Mr. Xu Binhuai (*President*)
Mr. Xiao Hua
Mr. Guo Zhanjun (*resigned on 3 April 2024*)

Non-executive Director: Ms. Yang Huiyan (*Chairman*)

Independent Non-executive Directors: Mr. Mei Wenjue
Mr. Rui Meng
Mr. Chen Weiru
Mr. Zhao Jun (*appointed on 3 April 2024*)

The detailed biographies of the current Directors are set out in the section headed “**Biographical Details of Directors and Senior Management**” of this annual report.

Mr. Rui Meng and Mr. Zhao Jun are independent directors of Bright Scholar Education Holdings Limited (博實樂教育控股有限公司)*. Save as disclosed above, there was no relationship among the other members of the Board (including that between the chairman and the president), including financial, business, family or other material/relevant relationship.

Mr. Zhao Jun has been appointed as an independent non-executive Director of the Company on 3 April 2024. He has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 2 April 2024, and has confirmed that he has understood his obligations as a Director of the Company.

During the Year, the Company arranged for appropriate coverage of Directors’ and senior management’s liability insurance policy to indemnify the Directors and senior management for liabilities arising from the corporate activities. The coverage and the amount insured under such policy are reviewed annually by the Company. No legal actions were made against any of the Directors in relation to their duties performed for the Company during the Year.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Year, the Board has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules in having three independent non-executive Directors (representing one-third of the number of members of the Board). The independent non-executive Directors, all of whom are independent of the management of the Group’s businesses, are highly experienced professionals with substantial experience in areas such as legal, accounting or financial management.

The Company has received annual written confirmation of his independence to the Group from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the independent non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and are independent persons according to the same, and that they complied with the requirement for independence under Rule 3.13 of the Listing Rules.

In addition to the regular Board meetings, the chairman had meetings with the independent non-executive Directors without the presence of other Directors during the Year.

The Board has adopted effective mechanisms to ensure independent views and input are available to the Board. Subject to approval of the Chairman of the Board, Directors may seek, at the Company’s expense, independent legal, financial or other professional advice from advisors independent to those advising the Company as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively. The Board will review the implementation and effectiveness of such mechanism on an annual basis.

The Board considers that the above mechanisms are effective in ensuring that independent views and input are provided to the Board.

* For details of the shareholdings of Ms. Yang Huiyan (Chairman and non-executive Director of the Company) and her relatives in Bright Scholar Education Holdings Limited, please refer to the relevant disclosure in the latest annual report of Bright Scholar Education Holdings Limited.



DIRECTORS' REMUNERATION POLICY

According to the Remuneration Policy for Directors and Senior Management currently adopted by the Board, the remuneration packages of the Directors and senior management shall be recommended by the Remuneration Committee to the Board with reference to the remuneration packages of comparable positions in similar companies, business requirements, individual experience, the Directors' performance and duties, etc., and shall be determined by the Board after review and adjusted on a regular basis. The policy specifies the procedures for its formulation and review, the principle of determining the remuneration packages of the Directors, senior management and other employees, and the review of the policy and its disclosure. The policy, which is available for inspection on the Company's website (www.bgyfw.com), also reflects the latest requirements of the Listing Rules.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

Directors' training is an ongoing process. All Directors are encouraged to attend seminars and courses on relevant topics, which may count towards continuous professional development training.

Pursuant to code provision C.1.4 of the Corporate Governance Code, Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. According to the records maintained by the Company, during the Year, all the current Directors, being Ms. Yang Huiyan, Mr. Xu Binhuai, Mr. Xiao Hua, Mr. Mei Wenjue, Mr. Rui Meng, Mr. Chen Weiru and Mr. Zhao Jun, had participated in appropriate continuous professional development activities by attending training sessions, reading articles, newspapers, journals and/or updates relevant to the Company's business or to the Directors' duties and responsibilities and complied with the requirements of code provision C.1.4 of the Corporate Governance Code.

A summary of their training records is as follows:

Directors	Type of Continuing Professional Development ^(Note 1)	Content of Continuing Professional Development ^(Note 2)
Executive Directors:		
Mr. Xu Binhuai (<i>President</i>)	1, 2	A, B
Mr. Xiao Hua	1, 2	A, B
Non-executive Director:		
Ms. Yang Huiyan (<i>Chairman</i>)	1, 2	A, B
Independent Non-executive Directors:		
Mr. Mei Wenjue	1, 2	A, B
Mr. Rui Meng	1, 2	A, B
Mr. Chen Weiru	1, 2	A, B
Mr. Zhao Jun	1, 2	A, B

Note 1:

- 1 Attending internal seminars/training sessions, lectures, symposiums or forums
- 2 Reading newspapers, journals and updates

Note 2:

- A. Businesses relating to the Company
- B. Laws, rules and regulations, accounting standards



Corporate Governance Report

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Under the requirements of code provision B.2.2 of the Corporate Governance Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Each of the Directors is engaged on a service agreement (for executive Directors and non-executive Directors) or an appointment letter (for independent non-executive Directors) with the Company for a term of three years. All of them are subject to retirement and re-election in accordance with the articles of association of the Company (the “**Articles of Association**”).

According to the Articles of Association, (i) any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his/her appointment and be subject to re-election at such meeting; (ii) any Director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election; and (iii) at each annual general meeting, one-third of the Directors for the time being (or, if their 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 (including those appointed for a specific term) shall be subject to retirement by rotation at an annual general meeting at least once every three years. As such, no Directors have a term of appointment longer than three years.

BOARD MEETINGS

The Board holds at least four meetings a year at approximately quarterly intervals. Additional meetings would be arranged if and when required. The date of each Board meeting is decided in advance to enable the Directors to attend the meeting in person. For those Directors who are not able to attend these meetings in person, participation by telephone conference is available.

The Board meets regularly to discuss and determine the Group’s strategies, set directions, and monitor the performance of the Group. Notice of not less than 14 days is given to all Directors before convening regular meetings. Each Director can access the advice and services of the company secretary(ies) of the Company (the “**Company Secretary(ies)**”) and is invited to include any matters for discussion in the agenda of the regular meetings. Agendas and materials for discussion in the meetings are circulated to all Directors at least three days prior to the respective date of the meetings.

A substantial Shareholder or a Director, who has declared to have a conflict of interest in the proposed transactions or matters to be discussed, shall not be counted in the quorum of the meeting and shall abstain from voting on the relevant resolution, and the matter will be dealt with by a physical Board meeting rather than a written resolution.

The Company Secretary prepares detailed minutes of each meeting. After the meeting, draft and final versions of the minutes would be sent to all the Directors for comments and records as soon as practicable. Minutes of Board meetings and Board committees’ meetings are kept by the Listing Company Secretariat of the Company and are open for inspection by any Director after due notice is issued by him/her.

During the Year, the Directors have made active contribution to the affairs of the Group and eleven Board meetings were held to consider, among other things, various transactions contemplated by the Group and review and approve the interim results and annual results of the Group.

Pursuant to Article 100(1) of the Articles of Association, a Director shall not be entitled to vote nor be counted in the quorum on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested.



ATTENDANCE RECORDS OF THE DIRECTORS

The attendance records of the Directors at the Board meetings, the Board committees' meetings and the general meetings held during the Year are set out below:

Directors	Attended/Eligible to attend during the year ended 31 December 2024						
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Debt Recovery Committee Meeting	Environmental, Social and Governance Committee Meeting	General Meeting
Executive Directors:							
Mr. Xu Binhuai (<i>President</i>)	11/11	Not applicable	Not applicable	Not applicable	0/0	2/2	2/2
Mr. Xiao Hua	11/11	Not applicable	Not applicable	Not applicable	0/0	2/2	2/2
Mr. Guo Zhanjun (resigned on 3 April 2024)	3/3	Not applicable	Not applicable	Not applicable	Not applicable	1/1	Not applicable
Non-executive Director:							
Ms. Yang Huiyan (<i>Chairman</i>)	11/11	Not applicable	4/4	3/3	Not applicable	1/1	2/2
Independent Non-executive Directors:							
Mr. Mei Wenjue	10/11	3/3	4/4	Not applicable	Not applicable	Not applicable	2/2
Mr. Rui Meng	10/11	3/3	Not applicable	3/3	0/0	Not applicable	2/2
Mr. Chen Weiru	11/11	3/3	4/4	3/3	Not applicable	1/1	2/2
Mr. Zhao Jun (appointed on 3 April 2024)	8/8	2/2	Not applicable	1/1	Not applicable	1/1	2/2

Note 1: Mr. Rui Meng and Mr. Mei Wenjue could not attend the Board meeting of the Company convened on 7 March 2024 and 15 April 2024 respectively due to other important engagements.

Note 2: Debt Recovery Committee was formed in August 2024 and has not convened any meeting during the Year.

CHAIRMAN AND PRESIDENT

Ms. Yang Huiyan is the chairman and Mr. Xu Binhuai is the president of the Company. The roles of the Chairman and the president are segregated. Ms. Yang and Mr. Xu are not connected in any respect. The Chairman provides leadership for the Board and ensures that there is clear division of responsibilities at the Board level. The president is responsible for overseeing the day-to-day management of the Company, supervising the businesses of the Group and ensuring that Board committees work smoothly and effectively.



Corporate Governance Report

BOARD COMMITTEES

As a part of good corporate governance, the Board has set up a remuneration committee (the “**Remuneration Committee**”), an audit committee (the “**Audit Committee**”), a nomination Committee (the “**Nomination Committee**”), an environmental, social and governance committee (the “**Environmental, Social and Governance Committee**”) and a Debt Recovery Committee (the “**Debt Recovery Committee**”) for overseeing particular aspects of the Company’s affairs. Each committee has its own specific delegated authorities and operates within defined written terms of reference, which are posted on the websites of the Stock Exchange (www.hkexnews.hk) and/or the Company (www.bgyfw.com). All the Board committees should report to the Board on their decisions or recommendations made.

Audit Committee

The Audit Committee currently comprises all four independent non-executive Directors, namely Mr. Rui Meng, who acts as the chairman, Mr. Mei Wenjue, Mr. Chen Weiru and Mr. Zhao Jun.

The duties of the Audit Committee include, inter alia, reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assisting the Board in fulfilling its responsibility over the audit; making recommendations to the Board on the appointment, re-appointment and removal of the external auditor; and monitoring the external auditor’s independence and objectivity and the effectiveness of the audit process. The Audit Committee should meet at least twice a year to discuss and review the financial information, the risk management and internal control systems and relevant matters. The procedures of the Audit Committee meetings are the same as that of the Board meetings. Terms of reference of the Audit Committee are currently available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgyfw.com).

During the Year, the Audit Committee has reviewed the 2023 audit planning memorandums, the annual results and annual report for the year ended 31 December 2023, the interim results and interim report for the period ended 30 June 2024, the financial reporting and compliance procedures, connected transactions, report on entrusted financial management status, internal control report, and the remuneration of external auditor and other matters. Besides, the Audit Committee proposed to the Board to appoint Deloitte as the auditor of the Company and approved the adoption of the Pre-approval of Non-assurance Service Policy by the Company, with an aim to ensure the independence of the auditor of the Company when they provide non-assurance service to the Group.

The Company’s annual results announcement and annual report for the Year have been reviewed by the Audit Committee.

During the Year, the Audit Committee held three meetings and duly discharged the above duties. The attendance record of each member of the Audit Committee at the meetings is listed under the section headed “**Attendance Records of the Directors**” above on a named basis.

Remuneration Committee

The Remuneration Committee currently comprises Mr. Chen Weiru, an independent non-executive Director who acts as the chairman, and two other members, namely Mr. Mei Wenjue, an independent non-executive Director, and Ms. Yang Huiyan, a non-executive Director.

The responsibilities and authorities of the Remuneration Committee are clearly defined in its terms of reference, the principal duties of which include, inter alia, (i) making recommendations to the Board on the Company’s policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) reviewing and approving the management’s remuneration proposals with reference to the Board’s corporate goals and objectives; and (iii) making recommendations to the Board on the remuneration packages of individual Directors and senior management.



Corporate Governance Report

The Board together with the Remuneration Committee monitor the performance of the executive Directors and the senior management. Such division of responsibilities ensures a balance of power. The Remuneration Committee shall meet at any time when necessary. Terms of reference of the Remuneration Committee are currently available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgyfw.com).

During the Year, the Remuneration Committee held four meetings. In particular, the Remuneration Committee assessed the performance of the executive Directors and the senior management, and reviewed their remuneration. The Remuneration Committee also recommended to the Board on the disclosures of remuneration and services agreement of Directors in its 2023 Annual Report draft and Annual General Meeting Circular, reviewed the implementation of the 2020 Share Option Scheme during the year of 2023, proposed the emoluments of the newly appointed Directors and senior management members, proposed to terminate the 2020 Share Option Scheme and adopt the 2024 Share Option Scheme and proposed to grant share options under the 2024 Share Option Scheme (including matters in relation to considering the appropriateness of the vesting period for the first batch of share options granted being less than 12 months, details of which are set out in the “**Share Option Schemes**” section of the Report of the Directors in this report), proposed to adopt the 2024 Share Award Scheme, and adjusted the emoluments of certain Directors and senior management members. Details of the emoluments of Directors paid for the financial year ended 31 December 2024 and the Share Option Scheme are disclosed in the note to the consolidated financial statements and the Report of the Directors, respectively. The attendance record of individual Directors at the Remuneration Committee meetings is listed under the section headed “**Attendance Records of the Directors**” above on a named basis.

Details of the remuneration of each of the Directors for the Year are set out in note 42(a) to the consolidated financial statements.

Details of the five individuals with the highest emoluments are set out in note 10(b) to the consolidated financial statements.

The remuneration of the members of senior management (other than Directors) of the Company by band for the Year is set out below:

RMB	Number of members of senior management
3,000,000 to 4,000,000	1
4,000,001 to 5,000,000	3
10,000,001 to 11,000,000	1

Nomination Committee

The Nomination Committee currently comprises four members, including one non-executive Director, namely Ms. Yang Huiyan, who acts as the chairman, and three independent non-executive Directors, namely Mr. Rui Meng, Mr. Chen Weiru and Mr. Zhao Jun.

The main duties of the Nomination Committee include, inter alia, reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment and removal of Directors. Terms of reference of the Nomination Committee are currently available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgyfw.com).



Corporate Governance Report

During the Year, the Nomination Committee held three meetings. In particular, the Nomination Committee reviewed and recommended to the Board the policy on diversity of Board members of the Company and structure, size and composition of the Board, the independence of independent non-executive Directors, the arrangements for retirement and re-election of Directors at the forthcoming annual general meeting, the nomination of the newly appointed Directors and members of committees, the nomination of authorised representative and joint company secretary, the nomination of senior management members, and the renewal of service agreements and appointment letters of Directors. The attendance record of individual Directors at the Nomination Committee meetings is listed under the section headed **“Attendance Records of the Directors”** above on a named basis.

The nomination policy was adopted on 20 December 2018.

Objectives

1. The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Directors at general meetings for appointment or re-appointment or appoint as Directors to fill casual vacancies or as an addition to the existing Board.
2. The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.
3. The Committee should ensure that the Board members have skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business.

Selection Criteria

4. The factors listed below would be used as reference by the Nomination Committee in assessing candidates:
 - i. Reputation for integrity
 - ii. Achievements and experience among different industries
 - iii. Commitment in respect of available time and relevant interest
 - iv. Independence
 - v. Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, qualifications, professional experience, skills, knowledge, independence and length of service
 - vi. For proposed independent non-executive Directors who will be holding their seventh (or more) listed company directorship, whether the individuals would still be able to devote sufficient time to the Board (including whether the individuals have extensive experience in corporate governance of listed companies, are familiar with the management of listed companies, have close and good communication with the management of the Company and other independent non-executive Directors, can make the management decision of the Company works properly, are a chairman of the board or chief executive officer or full-time executive director of other listed companies, the business activity of other listed companies in which the individuals hold directorship, etc.)
 - vii. Other factors considered to be relevant by the Nomination Committee on a case-by-case basis, including the requirements and restrictions as stated in the Listing Rules

These factors are for reference only, and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.



5. Retiring Directors are eligible for nomination by the Nomination Committee and recommendation by the Board to stand for re-election at a general meeting.
6. Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.
7. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

Nomination Procedures

8. The secretary of the Nomination Committee or the Company Secretary shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also identify candidates pursuant to the criteria set out in this policy and put forward candidates who are not nominated by Board members.
9. The Nomination Committee may use any process that it deems appropriate to evaluate the candidates pursuant to the criteria set out in this policy, which may include personal interviews, background checks, presentations or written submissions by the candidates and third-party references.
10. For filling a casual vacancy and for addition to the existing Board, the Nomination Committee shall make recommendations for the Board's consideration, approval and appointment. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation to the Shareholders.
11. In case of election at a general meeting, until the issue of the circular to the Shareholders, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
12. In order to provide information of the candidates nominated by the Board to stand for election at the general meeting, a circular will be sent to Shareholders. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations (including the Listing Rules), of the proposed candidates will be included in the circular to the Shareholders. In addition, where a new Director is appointed or re-designated, the Company will announce the change as soon as practicable and include details of the relevant Director as required pursuant to the Listing Rules.
13. The Shareholders may propose a person for election as a Director, details of which are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director" of the Company. A Shareholder can serve a notice at the registered office, head office or the registration office (such place as the Board may from time to time determine to keep a branch register of members and where (except the Board otherwise directs) the transfer or other documents of title are to be lodged for registration and are to be registered) of the Company within the lodgment period of its intention to propose a resolution to elect certain person(s) other than those candidates set out in the Shareholder circular as a Director, without the Board's recommendation or the Nomination Committee's nomination. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.
14. A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.



Corporate Governance Report

15. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.
16. The Company will disclose this nomination policy in the Company's corporate governance report and/or by other means in accordance with the requirements of the Listing Rules.
17. The progress made towards achieving the objective set out in this nomination policy will be disclosed in the Company's corporate governance report annually and/or by other means in accordance with the requirements of the Listing Rules.

Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee was established in August 2020 with written terms of reference. The Environmental, Social and Governance Committee currently comprises five members, including two executive Directors, namely Mr. Xu Binhuai and Mr. Xiao Hua; one non-executive Director, namely Ms. Yang Huiyan; and two independent non-executive Directors, namely Mr. Chen Weiru and Mr. Zhao Jun, and Mr. Xu Binhuai was appointed as the chairman of the Environmental, Social and Governance Committee. The main duties of the Environmental, Social and Governance Committee include, inter alia, (a) formulating and reviewing the environmental, social and governance ("ESG") responsibilities, visions, strategies, framework, principles and policies of the Group, strengthening the materiality assessment and reporting process to ensure and implement continuous execution and implementation of ESG policies passed by the Board; (b) supervising and reviewing the work of the Group's ESG working group and evaluating the Group's ESG performance, and reporting to the Board; (c) supervising the assessment of the environmental and social impact of the Group's business and making recommendations to the Board, etc.

During the Year, the Environmental, Social and Governance Committee held two meetings and duly discharged the above duties. The attendance record of individual Directors at the Environmental, Social and Governance Committee meetings is listed under the section headed **"Attendance Records of the Directors"** above on a named basis.

Debt Recovery Committee

The Debt Recovery Committee was established in August 2024 with written terms of reference. The Debt Recovery Committee currently comprises five members, including the executive Director Mr. Xu Binhuai who acts as the chairman, and other four members, namely executive Director Mr. Xiao Hua, independent non-executive Director Mr. Rui Meng, and two members of the core management.

The purpose of establishing the Debt Recovery Committee is to facilitate the timely recovery of the Group's trade receivables, to improve the efficiency of decision-making and execution of matters relating to the recovery of the Group's trade receivables, to safeguard the operating cash flow, and to assist the Board in maintaining a sound and effective risk management and internal control system to effectively prevent risks. The committee shall provide regular progress reports to the Board regarding debt recovery efforts, and recommend the Board to take appropriate corporate actions in due course to protect the interests of the Shareholders.

As the Debt Recovery Committee was formed in August 2024, therefore, it did not convene any meeting during the Year.

CORPORATE GOVERNANCE FUNCTION

As no corporate governance committee has been established by the Company, the Board is responsible for, among other things, formulating and reviewing the policies and practices on corporate governance of the Group and making recommendations for such aspects, reviewing and monitoring the policies and practices on the Group's compliance of legal and regulatory requirements, reviewing and monitoring the training and continuous professional development of Directors and senior management, and reviewing the Group's compliance with the Corporate Governance Code and the disclosures in the annual report. This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

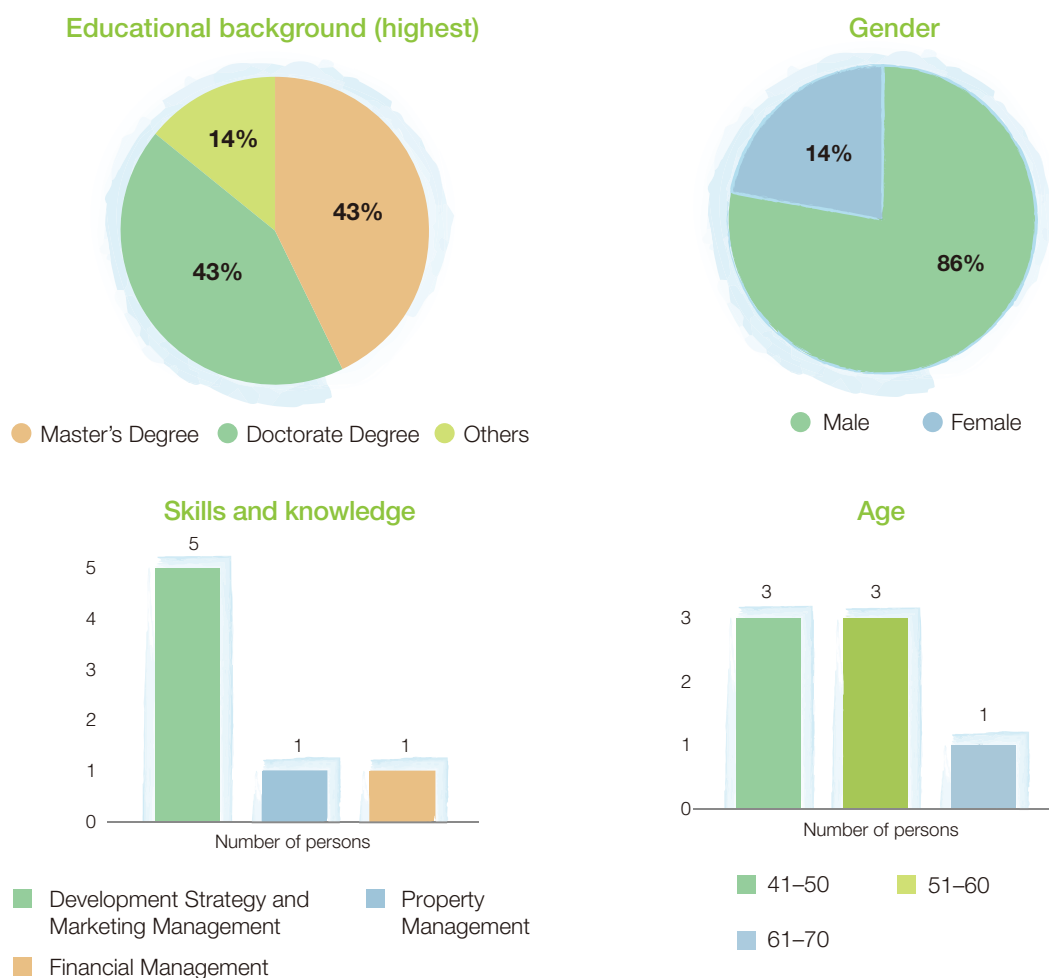


SUMMARY OF THE BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “**Board Diversity Policy**”) setting out the objectives and the factors to be considered for achieving the diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be based on meritocracy and competence, and the candidates will be considered against certain objective criteria such as gender, age, cultural and educational background, ethnicity, professional qualifications, experience, skills, knowledge and length of services, etc. The Board, through the Nomination Committee, monitors the implementation and effectiveness of the Board Diversity Policy and reviews the policy as and when appropriate.

The Company seeks to achieve Board diversity taking into account a number of factors, including but not limited to educational background, gender, age, skills and knowledge. The ultimate selection decision will be based on merits of the candidates and contribution to the Board.

As at 31 December 2024, an analysis of the Board composition based on the range of diversity perspectives is set out as follows:



Each of the Board members possesses different skills and knowledge, including development strategy and marketing management, property management, financial management, etc. The Board is characterised by significant diversity in terms of gender, age, education, skills and knowledge.



Corporate Governance Report

The current Board comprises one female member and six male members, with the female member serving as the Chairman of the Board. The Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity. The Board is mindful of the factors for assessing the candidacy of the Board members, and will ensure that any successors to the Board shall follow the Board Diversity Policy. Similar considerations shall also be in place to assess the candidacy of the senior management team from time to time. The Board will, by inviting existing Directors to recommend suitable candidates, engaging independent professional search firm(s) to help identify potential candidates for independent non-executive Directors, and other means, continue to take opportunities to increase the proportion of female members as and when suitable candidates are identified in the future. The Company is determined to enhance the diversity of the Board to achieve gender equality in respect of the gender ratio. For the diversity of succession plan, the Board will also take the gender diversity of successors into consideration. The Company expects that the above targets are achievable with suitable effort in promoting gender diversity.

Viewing from the Company's perspective as a whole, as at 31 December 2024, the Company has 214,346 employees (including senior management) in total comprising of approximately 93,069 females and 121,277 males (a male-to-female ratio of 6:4), achieving balanced gender diversity in general and reflecting a gender equality principle generally adhered by the Company. The Group strives to form a diversified and inclusion work environment and values the representation of female members among senior management. The percentage of female members in the core senior management team of CG Life Services, the main operating entity under the Group in the PRC, was 32%, leveraging "she-power" in the workplace. The Company is mindful of the objectives set out in the diversity policy when assessing the candidacy of the employees, and will ensure that the Company shall continue to follow the policy.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the Year in accordance with the legal requirements and applicable accounting standards.

The Board is responsible for presenting a balanced, clear and understandable annual report and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided necessary explanation and information to the Board to enable it to make an informed assessment of the financial information and financial position of the Group to be presented to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

DEED OF NON-COMPETITION

Ms. Yang Huiyan, the ultimate controlling Shareholder of the Company, has entered into a deed of non-competition (the **"Deed of Non-competition"**) dated 29 May 2018 in favour of the Company to the effect that she will not, and will procure her respective close associates (except the CGH Group) not to, directly or indirectly participate in, or hold any right or interest in, or otherwise be involved in any business which may be in competition with the business of the Company. Further details are set out in the section titled **"Deed of Non-Competition"** in the prospectus of the Company dated 6 June 2018.

The Company has received the written confirmation from Ms. Yang Huiyan in respect of her compliance with the Deed of Non-Competition for the Year. The independent non-executive Directors have reviewed the compliance with and enforcement of the Deed of Non-Competition by Ms. Yang for the Year.



RISK MANAGEMENT AND INTERNAL CONTROL

Duties of the Board and the Management

The Board is solely responsible for maintaining sound and effective risk management and internal control systems to safeguard the Company's assets and the Shareholders' interests. The Board deeply understands the key role of the Company's risk management and internal control systems in its risk management and ongoing compliance with laws and regulations. Given that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve the business objectives, the Company can only provide reasonable rather than absolute assurance that there will be no material misstatement or loss. The Company is aware of the duties of the Board and the management in the risk management and internal control systems:

- **The Board** (decision-making level) shall be responsible for assessing and determining the nature and extent of the risks (including ESG risks) that the Company is willing to take when achieving the strategic objectives. It shall ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems, oversees the management in the design, implementation and monitoring of the Company's risk management system and conducts an annual review. Adequate budgets for resources reserves, professionalism of relevant staff, system construction and talent development costs, etc. for the construction of the Company's risk management and internal control systems are safeguarded.
- **The Audit Committee** (decision-making level) shall be responsible for continuously monitoring the design and operations of the Company's risk management and internal control systems, reviewing the construction of the risk management system, and conducting regular review and evaluation of the effectiveness of the Company's risk management and internal control systems.
- **The Supervisory Committee** (decision-making and supervisory level) shall be responsible for overseeing the risk management and internal control systems established and implemented by the Board, and safeguarding the legitimate rights and interests of the Company and Shareholders.
- **The senior management at headquarters** (execution level) shall be responsible for operating the risk management and internal control systems and confirming the effectiveness of the Company's risk management and internal control with the Board.
- **The management of the headquarters and its subsidiaries** (execution level) shall be responsible for formulating and implementing the risk response solutions for the respective business, promoting and implementing specific risk management measures, monitoring the risks and their response tracking results and reporting to the senior management at headquarters.
- **The Risk Control, Audit and Supervision Department** (supervisory body) shall be responsible for monitoring the operation effect of the risk management and internal control systems of the headquarters and subsidiary units, and promoting the establishment and improvement of the risk management and internal control systems. It establishes a sound evaluation system, conducts independent assessment of the Company's risks through risk control projects, audit projects and other works, and reports the deficiencies identified and their tracking situations to the Audit Committee, as well as promotes and tracks the implementation of corrective measures.



Corporate Governance Report

Annual Risk Management and Internal Controls

1. The Risk Management and Internal Control System Construction:

CG Services set up the top-down bottom-up risk management infrastructure at the group level in the previous years, defined risk management procedures and adopted an active and structured approach to facilitate improvement of its internal risk management culture. Meanwhile, CG Services has established an internal control system applicable to the Company by reference to the internal control framework issued by COSO (Committee of Sponsoring Organizations of the Treadway Commission). The Company also clearly defines the powers and responsibilities of each unit and each department to protect assets from improper use, maintain proper accounts and ensure compliance with the rules. During the Year, based on the work achieved in previous years, the Company has continuously improved the risk management and internal control systems through the following work:

- **The risk management system** improves a risk management structure covering the decision-making level, the execution level and the supervisory level based on the organizational structure of the Company. The responsibilities of each level in the risk management system construction are clearly defined to ensure that the Company's risk management objectives are consistent with the Company's strategic objectives. Among which, the Board, the Audit Committee and the Supervisory Committee will identify, assess and monitor risks at company level using a top-down approach, while the management of the headquarters and its subsidiaries will identify, manage and report operational risks using a bottom-up approach. At the same time, the Company has established a corresponding risk management process, specifying the management actions including risk identification, risk analysis, risk response and risk tracking. The Company has established a risk assessment mechanism to comprehensively identify and assess various important risks of the Company by adopting certain risk assessment methods to ensure that the risk management work is carried out in an orderly manner. (see diagram: Risk Management Process)

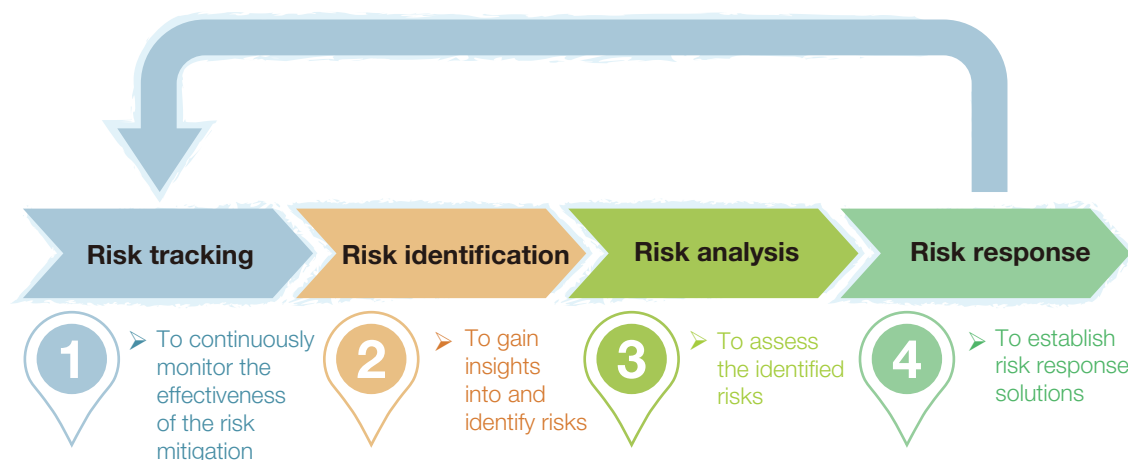


Diagram – Risk Management Process

- **The internal control system** clearly defines the responsibilities and authorities of each level and each functional department within the internal control process. The Board shall be responsible for overseeing the management's implementation of the internal control system and reviewing the effectiveness of the Company's internal control system annually. The management regularly reports the implementation of the internal control to the Board to ensure that the internal control system operates effectively and is continuously optimized. The Company has established an independent supervisory department that reports the supervision of the internal control system to the Board and the Audit Committee.

- **The anti-corruption system** demonstrates that the Company advocates an integrity-based corporate culture and adopts zero tolerance for corruption. The Company has set up a monitoring function, which is responsible for the overall coordination and implementation of the Company's anti-corruption efforts. The Company has also set up smooth channels for complaints and whistle-blowing, and has established and continuously revised a supervision and accountability system for violations. Additionally, the Company conducts anti-corruption training and dissemination for employees across all units.

2. **Implementation of Risk Management and Internal Control:**

- **In terms of risk management**, taking into account the Company's external regulatory requirements and market conditions, changes of internal business environment, business development demands, etc., and through the implementation of specialized risk control efforts, the Company has timely identified and assessed the possibility of the occurrence of risks and the degree of their impact on the Company. Combined with the Company's risk tolerance abilities, corresponding improvement measures have been proposed, and various departments have been coordinated to ensure the implementation of risk mitigation actions. The Risk Control, Audit and Supervision Department has designed certain risk monitoring indicators to dynamically track significant risk matters and continuously oversee the effectiveness of risk mitigation measures. The Audit Committee, on behalf of the Board, has reviewed and assessed the changes in the nature and extent of major risks (including ESG risks), and completed the review of risk management system which was considered by it to be effective and adequate. During the Year, the management held two meetings to report the control situation of major risks and review of risk management and internal control systems to the Audit Committee and the Board by submitting formal reports.
- **In terms of internal control**, internal control reviews, as well as regular and specialized reviews have been carried out to assess the effectiveness of the Company's daily operations and internal control, and to rectify any internal control deficiencies. The Risk Control, Audit and Supervision Department has established a comprehensive internal control deficiency classification standard and rectification mechanism, continuously tracked the rectification of internal control deficiencies, regularly reviewed the applicability of the rectification measures for internal control deficiencies, and reported the results of the internal control review to the Audit Committee. Meanwhile, the Risk Control, Audit and Supervision Department has also conducted targeted training on risk awareness and internal control skills for the Company's employees, aiming to enhance the operational effectiveness of the internal control system by improving the risk and internal control awareness of key positions.
- **In terms of anti-corruption**, the disciplinary requirements on the Company's red line and clean business practices were emphasized and promoted to all employees (including new recruits) through daily meetings, specialized training, online courses and other methods. The Company has established a comprehensive complaint and whistle-blowing channel, and assigned designated persons to maintain on a regular basis. The internal supervision function of the Risk Control, Audit and Supervision Department is responsible for investigating and dealing with the whistle-blowing content, following the requirements of the Measure for Whistleblower Protection and Management as adopted by the Group to protect the privacy of the whistleblowers. In line with the Company's strategic objectives and internal control requirements, the Company continues to maintain the Regulations on the Management of Employees' Professional Conduct of the CG Services Group and other regulatory documents to play its role of guiding and restraining the behavior of its employees. The Company has organized all employees to sign the undertaking letter of interest conflicts and has promoted the convenience and orderliness of interest conflict declarations at the technical level and management mechanism level. Through the above systematic work deployment, the Company continuously strengthens employees' ability to resist corruption and maintain self-discipline, striving to create a corporate culture of integrity and fairness.



Corporate Governance Report

Summary of the Effectiveness of Review of Risk Management and Internal Control Systems

During the Year, the Board, through the Audit Committee, has conducted a comprehensive review of the risk management and internal control systems of the Company, which includes major risk assessment and internal control review of key business processes in the Year. The period of this review covered the fiscal year of 2024 with the scope covering the Company's main business and all of the important control aspects, including financial monitoring, operational monitoring and compliance monitoring, and took into account changes in the nature and severity of major risks (including ESG risks), as well as the Company's ability to respond to changes in its business and external environment. There were no significant control failings or weaknesses identified during the Year. The Board considers that the Company has complied with the risk management and internal control provisions set out in the Corporate Governance Code and that the risk management and internal control systems are effective and adequate.

The Board has reviewed the resources, staff qualifications and experiences of accounting, internal audit, financing reporting functions, as well as those relating to the Company's ESG performance and reporting and the training programs for staff and the relevant budget, and the processes for relevant financial reporting and compliance with the Listing Rules, and considered them effective and adequate.

During the year ended 31 December 2024, the Group has implemented procedures and internal controls for the handling and dissemination of inside information. In particular, the Group:

- has conducted its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012;
- has established the Group's own disclosure obligation procedures, which set out the procedures and controls for the assessment of potential inside information and the handling and dissemination of inside information. The procedures have been communicated to the senior management and staff of the Company, and their implementation was monitored by the Company; and
- has made broad, non-exclusive disclosure of information to the public through channels such as financial reports, public announcements and its website.



JOINT COMPANY SECRETARIES

Mr. Huang Peng resigned as a joint company secretary of the Company on 3 April 2024. As at the date of this report, the joint company secretaries of the Company are Mr. Chen Dilin, the vice president of CG Life Services and the authorised representative of the Company, and Mr. Leung Chong Shun, a practicing solicitor and an external service provider. They have complied with the relevant professional training requirements under Rule 3.29 of the Listing Rules by taking not less than 15 hours of relevant professional training during the Year.

The primary contact person of the Company with Mr. Leung is Ms. Zhang Lin, the head of the listing company secretariat of the Company.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

In light of market information and taking into account the Company's business development and future needs for audit services, PwC has agreed to resign as the auditor of the Company with effect from 21 October 2024. On the same day, with the recommendation from the Audit Committee of the Company, the Board has resolved to appoint Deloitte as the auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 21 October 2024 and to hold office until the conclusion of the next annual general meeting of the Company.

The statement of the external auditor of the Company regarding its reporting responsibilities on the Company's financial statements for the Year is set out in the section headed **"Independent Auditor's Report"** in this annual report.

An analysis of the fees in respect of audit and non-audit services provided by the auditor of the Company, PwC (resigned on 21 October 2024) and Deloitte (appointed on 21 October 2024), for the Year is as follows:

Types of services provided by the external auditor	Amount (RMB'000)
PwC	
– 2024 interim financial report	
Professional review service	2,500
– Non-audit service	
ESG consulting service	425
Deloitte	
– 2024 annual financial statements	
Professional audit service	5,700
– Non-audit service	
Nil	0
Total:	8,625



Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

During the Year, no changes were made to the constitutional documents of the Company. The latest versions of such documents are available on the Company's website (www.bgyfw.com) and the website of the Stock Exchange (www.hkexnews.hk).

DIVIDEND POLICY

Pursuant to the Articles of Association and Dividend Policy, dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserves set aside from profits which the Directors determine is no longer required. Dividends may also be declared and paid out of the share premium account or any other fund or account which is authorised for this purpose in accordance with the Cayman Islands Companies Act. Any declaration of dividends, however, is subject to the Company's results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which the Board may consider relevant.

In addition, any declaration and payment as well as the amount of the dividends will be subject to the provisions of (i) the Articles of Association, which require any final dividends to be approved by Shareholders at a general meeting, and (ii) the Cayman Islands Companies Act, which provides that dividends may be paid out of sums standing to the credit of its share premium account provided that immediately following the payment of dividend, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Under the applicable PRC law, each of the Company's subsidiaries in the PRC may only distribute after-tax profits after it has made allocations or allowances for recovery of accumulated losses and allocations to the statutory reserves.

The final dividend in respect of any financial year shall be approved by the shareholders, and the interim and special dividends may be approved by the Board at its discretion. The Company may declare and pay dividends in cash or in scrip shares or in such other forms as the Board may think fit and in accordance with the Articles of Association of the Company and all applicable laws and regulations.



COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Communication with Shareholders

The Group recognises the importance of transparent and timely disclosure of corporate information, which enables Shareholders and investors to make the best investment decision. The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company has adopted a Shareholder's Communication Policy effective from July 2020, and has revised the policy on 29 December 2022 and 27 March 2025, which sets out the Company's commitment of maintaining an effective ongoing dialogue with Shareholders. In summary, the Company establishes different communication channels with Shareholders and stakeholders including: (i) provision of printed or electronic copies of corporate communications; (ii) provision of timely corporate information on the Company's website; (iii) holding of annual general meetings to provide platform for Shareholders to raise comments and exchange views with the Board; and (iv) arrangement in serving the Shareholders in respect of all share registration matters. During the Year, the Board has reviewed the implementation and effectiveness of the Shareholder's Communication Policy, including the existing shareholder communication channels and measures for handling shareholders' enquiries, considered that the policy had been properly implemented and remained effective. The Board considered that it remained effective in enhancing timely, transparent, accurate and open communication between the Company and the Shareholders. The policy is available at the Company's website (www.bgyfw.com). The Board will review annually the implementation and effectiveness of the said policy.

The Company maintains a website (www.bgyfw.com) with an "Investor Relations" column where information of the Group's businesses and projects, key corporate governance policies and announcements, financial reports and other information are available for public access. The Shareholders and investors may send written enquiries or requests to the Company as follows.

Telephone: +86 757 2991 7238

Facsimile: 0757-2633 6002

Email: irps@bgyfw.com

General Meeting

General meetings serve as a communication platform where the Board can maintain a face-to-face dialogue with the Shareholders and investors. Notice of general meetings together with the circular and other documents will be sent to the Shareholders at least 21 clear days and at least 14 clear day before the annual general meeting.

The Company holds an annual general meeting every year and may hold a general meeting known as an extraordinary general meeting whenever necessary. The chairman of the respective Board committees, independent non-executive Directors, the Company Secretaries and other external professionals will be present at the general meetings timely to answer questions raised by the Shareholders and investors at the meeting.



Corporate Governance Report

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, separate resolutions will be proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. The Shareholders may convene extraordinary general meetings or put forward proposals at Shareholders' meetings as follows:

Convening of Extraordinary General Meeting at the Request of Shareholders

The Board may whenever it thinks fit call an extraordinary general meeting. Any one or more Shareholder(s) holding on 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 Company Secretary, to require an extraordinary general meeting 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 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (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.

Procedures for Putting Forward Proposals at General Meetings by Shareholders

According to the Cayman Islands Companies Act, there are no provisions on the procedures for putting forward proposals at general meetings by the Shareholders. According to the Articles of Association, there are no provisions on the procedures for putting forward proposals at general meetings by the Shareholders, except for the proposal which may be put forward by the Shareholders at a general meeting for electing Directors to nominate individuals to participate in the election of Directors. The Shareholders who wish to put forward a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Procedures for Directing Shareholders' Enquiries to the Board

The Company has established various and different communication channels with its Shareholders, which include general meetings, annual and interim results, annual reports and interim reports, notices, announcements and circulars. In addition, the Company updates its website from time to time to keep the Shareholders updated of the Company's recent development.

The Shareholders may at any time send their enquiries and concerns to the Board in writing, the contact details of which are contained on the Company's website (www.bgyfw.com).

For the avoidance of doubt, the Shareholder(s) must provide his/her/their full name(s), contact details and identifications in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of the Shareholder(s) may be disclosed as required by law.

An up-to-date version of the Articles of Association is available on the websites of the Company (www.bgyfw.com) and the Stock Exchange (www.hkexnews.hk). The Shareholders may refer to the Articles of Association for further details of the rights of Shareholders.

All resolutions put forward at the general meetings shall be voted by poll pursuant to the Listing Rules and the Articles of Association. The poll voting results will be posted on the websites of the Company (www.bgyfw.com) and the Stock Exchange (www.hkexnews.hk) after each of general meetings.



PURPOSE, VALUES, STRATEGY AND CULTURE

The core purpose of the Company is to create value for its Shareholders. It strives to become the global leading pioneer in the property management industry that is trusted by its consumers, and a place where its employee are proud to work for. Its mission is to lead the development of the industry and set the industry benchmarks. In this connection, it endeavors to maintain accountability to its employees, consumers, Shareholders, the society, and the environment. These purpose and value shape the Company's strategy, which are geared towards building a trusted and beloved property management enterprise whereby values for the Shareholders are created.

The Company's purpose, values, and strategy form the cornerstone of the Company's corporate culture. Its corporate culture is centered on adherence to high ethical standards and practices, and striving for sustainable development.



REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company and a leading integrated service provider in the PRC covering diversified business forms. Its subsidiaries are principally engaged in property management services, community value-added services, value-added services to non-property owners, the “Three Supplies and Property Management” businesses, city services and commercial operational services. An analysis of the Group’s revenue for the year ended 31 December 2024 by principal activities is set out in note 6 to the consolidated financial statements of the Group.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 106.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2024 is set out below:

		Section(s) in this Annual Report	Page No. of this Annual Report
a.	Fair review of the Company’s business	Management Discussion and Analysis	16 to 34
b.	Description of the principal risks and uncertainties facing the Company	Management Discussion and Analysis	16 to 34
c.	Particulars of important events affecting the Company that have occurred following the end of the year ended 31 December 2024	Management Discussion and Analysis	34
d.	Indication of likely future development in the Company’s business	Chairman’s Statement and Management Discussion and Analysis	12 to 14 and 16 to 34
e.	Analysis using key financial performance indicators	Financial Summary and Management Discussion and Analysis	15 and 16 to 34
f.	Discussion on the Company’s environmental policies and performance	The Company’s environmental policies and performance are set out in the “Country Garden Services Holdings Company Limited Environmental, Social and Governance Report 2024” (a standalone report) which will be published simultaneously with the annual report of the Company	Not applicable
g.	An account of the Company’s key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company’s success depends	Management Discussion and Analysis and Report of the Directors	16 to 34 and 62 to 100
h.	Discussion on the Company’s compliance with the relevant laws and regulations that have a significant impact on the Company	Corporate Governance Report and Report of the Directors	41 to 61 and 62 to 100



FINAL DIVIDEND AND SPECIAL DIVIDEND

The Directors recommended the payment of a final dividend of RMB13.52 cents (2023: RMB2.19 cents per Share) per Share for the year ended 31 December 2024 and a special dividend of RMB16.09 cents (2023: RMB27.27 cents per Share) per Share in the form of cash to the Shareholders whose names appear on the register of members of the Company on Thursday, 5 June 2025 (“**Eligible Shareholders**”) as a token of appreciation to all Shareholders for their continuous support to and trust in the Company.

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

None of the shareholders has made any arrangement under which he/she waives or agrees to waive any dividends.

SHARE CAPITAL

Details of the issued Shares and the movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 29 to the consolidated financial statements of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2024 are set out in note 16 to the consolidated financial statements of the Group.

INTANGIBLE ASSETS

Details of the movements in intangible assets of the Group during the year ended 31 December 2024 are set out in note 19 to the consolidated financial statements of the Group.

BORROWINGS

Details of the borrowings of the Group during the year ended 31 December 2024 are set out in note 35 to the consolidated financial statements of the Group.

EQUITY LINKED AGREEMENT

Save as disclosed in the section headed “**Share Option Schemes**”, “**Share Award Scheme**” and the paragraphs of “**Acquisition of Shares of Everjoy Services Company Limited**” under the section headed “**Disclosure Pursuant to Rule 14.36B of the Listing Rules**”, no equity linked agreements were entered into by the Company as at the end of or at any time during the year ended 31 December 2024.

DONATIONS

The total donations made by the Group during the year ended 31 December 2024 amounted to approximately RMB1,564,000 (2023: approximately RMB2,107,000).



Report of the Directors

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed “**Continuing Connected Transactions**”, “**Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations**”, “**Share Option Schemes**” and “**Share Award Scheme**”, none of the Company, any of its subsidiaries, fellow subsidiaries or holding companies was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company as at the end of or at any time during the year ended 31 December 2024.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the distributable reserves of the Company amounted to approximately RMB3,897,167,000 (2023: approximately RMB3,347,096,000). Details of the movements in reserves of the Company during the year ended 31 December 2024 are set out in note 41 to the consolidated financial statements of the Group.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR PURCHASING CAPITAL ASSETS OF THE GROUP AND THEIR EXPECTED SOURCES OF FUNDING IN THE COMING YEAR

The Group will plan for material investments according to its strategic objectives and business requirements.

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 15 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the percentage of purchases attributable to the five largest suppliers combined of the Group, and the percentage of revenue from sales of goods or rendering of services attributable to the five largest customers combined of the Group are both below 30%.

DIRECTORS' AND SHAREHOLDERS' INTERESTS IN SUPPLIERS AND CUSTOMERS OF THE GROUP

As at 31 December 2024, Ms. Yang Huiyan, our ultimate controlling shareholder, the chairman of the Board and a non-executive Director, owned a total of 51.94% interest in CGH. The CGH Group is one of the Group's five largest customers.

Save as disclosed, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any direct or indirect interests in the Group's five largest customers or suppliers.



CHANGES OF INFORMATION ON DIRECTORS

Changes in Directors' other major offices which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below.

Mr. Xu Binhuai, President and Executive Director

With effect from 1 January 2024, Mr. Xu has held certain management positions in some subsidiaries of the Group and is entitled to receive a basic salary of RMB128,400 per month as well as a discretionary special incentive and annual bonus according to his work performance and the policies and operations of the Company. Mr. Xu will not receive any fee for his appointment as an executive Director of the Company, the Authorised Representative, a chairman of the environmental, social and governance committee, and the agent for the service of process in Hong Kong. Concurrently, Mr. Xu has been acting as the president of the Company. Since 1 January 2024, pursuant to the president employment contract entered into between Mr. Xu and the Company, he is entitled to receive a basic salary of RMB80,000 per month as well as a discretionary special incentive and annual bonus and other benefits according to his work performance and the policies and operations of the Company. Such remuneration is determined by the Board based on the recommendations of the remuneration committee of the Company, with reference to his position and duties as well as the prevailing market conditions.

Mr. Chen Weiru, Independent Non-executive Director

In June 2024, Mr. Chen was appointed as an independent director of Universal Vision Biotechnology Co., Ltd., a company listed on the Taipei Exchange (stock code: 3218).

Ms. Yang Huiyan, Mr. Xiao Hua, Mr. Rui Meng, Mr. Chen Weiru and Mr. Mei Wenjue have entered into service agreements or letters of appointment (as the case may be) with the Company for renewal of their terms of office, all for a term of three years commencing from 19 June 2024 and are subject to renewal as well as termination in certain circumstances as set out in the relevant service agreements or letters of appointment.

In August 2024, Mr. Xu Binhuai, Mr. Xiao Hua, Mr. Rui Meng and two members of the core management have been appointed as members of the debt recovery committee and Mr. Xu Binhuai, the president and the executive Director, has been appointed as the chairman of the committee.

During the year ended 31 December 2024 and up to the date of this annual report, save as disclosed above, there is no other information that is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this annual report are as follows:

Executive Directors

Mr. Xu Binhuai (*President*)

Mr. Xiao Hua

Mr. Guo Zhanjun (*resigned on 3 April 2024*)

Non-executive Director

Ms. Yang Huiyan (*Chairman*)

Independent Non-executive Directors

Mr. Mei Wenjue

Mr. Rui Meng

Mr. Chen Weiru

Mr. Zhao Jun (*appointed on 3 April 2024*)



Report of the Directors

On 3 April 2024, Mr. Guo Zhanjun resigned from his position as an executive Director and a member of the environmental, social and governance committee of the Company in order to devote more time to focus on the human resources management and marketing management of the Group as a result of the adjustment of the Group's internal work division. On the same day, Mr. Zhao Jun was appointed as an independent non-executive Director and a member of the audit committee, nomination committee and environmental, social and governance committee of the Company. Mr. Zhao Jun had obtained legal advice in relation to the requirements, duties and obligations under the Listing Rules that are applicable to him as a director of a listed company on 2 April 2024 pursuant to Rule 3.09D of the Listing Rules. Mr. Zhao Jun had confirmed that he understood his obligations as a director of the Company.

In accordance with article 84(1) of the Articles of Association, Ms. Yang Huiyan, Mr. Rui Meng and Mr. Chen Weiru shall be subject to retirement by rotation and, being eligible, offer themselves for re-election at the 2025 AGM.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

On 10 October 2023, Mr. Xu Binhuai entered into a service agreement with the Company for a term of three years commencing on 10 October 2023.

On 3 April 2024, Mr. Zhao Jun entered into a letter of appointment with the Company for a term of three years commencing on 3 April 2024.

Save as disclosed above, each of other executive Directors and non-executive Directors has entered into a service agreement with the Company to renew his/her term of office, and each of other independent non-executive Directors has renewed his letter of appointment with the Company for a term of three years commencing on 19 June 2024, which are renewable and subject to termination under certain circumstances specified in the relevant service agreement and letter of appointment.

There was no service agreement or letter of appointment between the Directors proposed to be re-elected at the 2025 AGM and the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "**Continuing Connected Transactions**", no other transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director still has or had, directly or indirectly, a material interest subsisted at any time during the year ended 31 December 2024.

MATERIAL CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the paragraph headed "**Continuing Connected Transactions**", there was no material contract entered into between the Company or any of its subsidiaries and its controlling shareholders or any of its subsidiaries, and there was no material contract involving the provision of services by the controlling shareholders or any of its subsidiaries to the Company or any of its subsidiaries at any time during the year ended 31 December 2024.

MANAGEMENT CONTRACTS

No contracts, other than the service contracts with the Directors and employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 31 December 2024.

INTERESTS OF DIRECTORS AND THEIR ASSOCIATES IN COMPETING BUSINESS

During the year ended 31 December 2024, none of the Directors or any of their respective associates (as defined in the Listing Rules) was considered to be interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group, which was required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

COMPLIANCE WITH THE DEED OF NON-COMPETITION

On 29 May 2018, Ms. Yang Huiyan, the controlling shareholder of the Company, entered into the Deed of Non-competition in favour of the Company.

Ms. Yang Huiyan has undertaken in the Deed of Non-competition that she will not, and will procure her close associates (as defined under the Listing Rules and excluding the CGH Group) not to directly or indirectly be involved in or undertake any business (other than the Group's business) that directly or indirectly competes, or may compete, with the Company's business, which includes providing property management services, community value-added services, value-added services to non-property owners, and other services forming an integrated service offering to the customers and covering the entire value chain of property management (collectively referred to as the **"Restricted Activities"**), or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time except where the controlling shareholders and their close associates hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of the Group and they do not control 10% or more of the composition of the board of directors of such company.

For details of the Deed of Non-competition stated above, please refer to the section headed **"Relationship with our Controlling Shareholders"** in the prospectus of the Company dated 6 June 2018.

Ms. Yang Huiyan, the controlling shareholder of the Company, has provided the Company with a written confirmation dated 13 March 2025, in which Ms. Yang Huiyan confirmed that, during the year ended 31 December 2024, she and her close associates had fully complied with all terms and provisions of the Deed of Non-competition.

PERMITTED INDEMNITY PROVISION

The Articles of Association provide that every Director for the time being acting in relation to any of the affairs of the Company 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 may incur or sustain by or 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. However, such indemnity does not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

During the year ended 31 December 2024, the Company had taken out insurance for Directors and senior management to provide appropriate protection for the Directors and senior management of the Company.

The permitted indemnity provision was in force during the year ended 31 December 2024 for the benefit of the Directors.



Report of the Directors

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and senior management and those of the five highest paid individuals of the Group for the year ended 31 December 2024 are set out in note 42 and note 10(b) to the consolidated financial statements of the Group. Details of the emoluments of senior management by band for the year ended 31 December 2024 are set out in section headed "Remuneration Committee" in the Corporate Governance Report in this annual report.

The emoluments of individual Directors (including salaries and other benefits) are recommended by the Remuneration Committee of the Company for the Board's approval in accordance with the "Emolument Policy of Directors and Senior Management" and having regard to the remuneration packages of comparable positions in similar companies, business requirements, individual experience, the Directors' performance and duties, etc.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 10 to the consolidated financial statements.

The employees of the Group's subsidiaries which operate in mainland China and Southeast Asia are required to participate in a defined contribution pension scheme operated by the local government authorities. These subsidiaries are required to contribute a certain proportion of its payroll costs to the pension scheme. The only obligation of the Company with respect to the pension scheme is to make the required contributions. No forfeited contribution under the pension scheme is available to reduce the contribution payable in future years. The contributions are charged to profit or loss as they become payable in accordance with the rules of the pension scheme.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (the "**MPF Scheme**") for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions that constitute non-exempt transactions under Chapter 14A of the Listing Rules are disclosed as follows.



Continuing Connected Transactions with CGH

Since CGH is a majority-controlled company indirectly held by Ms. Yang Huiyan, the Chairman of the Board, a non-executive Director and the controlling shareholder of the Company, CGH, its subsidiary and their 30%-controlled companies are associates of Ms. Yang Huiyan and thus connected persons of the Company. The transactions contemplated between the Company and the CGH Group (which, for the purpose of this section headed **“Continuing Connected Transactions with CGH”** only, includes 30%-controlled companies of CGH and its subsidiaries) therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

1. Trademark Licencing Arrangement

On 1 June 2018, a trademark licencing agreement was entered into between the Company and Shunbi Property and a deed of trademark licencing was entered into between the Company and CGH (the **“Trademark Licencing Arrangement”**), pursuant to which Shunbi Property agreed to and CGH would procure Shunbi Property to irrevocably and unconditionally grant to the Group a non-transferable licence to use several trademarks registered in the PRC and Hong Kong for a perpetual term commencing from the date of the trademark licencing agreement and the deed of trademark licencing, which is subject to the renewal of the licenced trademarks, on a royalty-free basis. In view of the needs for business development of the Group, the Company entered into a supplementary agreement with Shunbi Property on 13 March 2020, pursuant to which both parties agreed to increase the categories of registered trademarks licenced for use for the “information on registered trademarks licenced”.

The Directors considered that the Trademark Licencing Arrangement with a term of over three years can ensure the stability of our operations, and is beneficial to the Company and the Shareholders as a whole.

Shunbi Property, as the registered proprietor of the licenced trademarks, is an indirect wholly-owned subsidiary of CGH. CGH is an associate of Ms. Yang Huiyan, the Chairman of the Board, a non-executive Director and a controlling shareholder of the Company, and therefore Shunbi Property is a connected person of the Company in accordance with the Listing Rules. Accordingly, the transactions under the Trademark Licencing Arrangement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The transaction under the Trademark Licencing Arrangement was within the de minimus threshold provided under Rule 14A.76 of the Listing Rules and was exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. For details of the Trademark Licencing Arrangement, please refer to the section headed **“Connected Transactions”** of the listing document of the Company dated 6 June 2018.

2. Property Management Services Framework Agreement

On 29 December 2023, the Company entered into a property management services framework agreement (the **“Property Management Services Framework Agreement”**) with CGH. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group. The services to be provided include property management services provided in respect of (i) the unsold property units that have been handed over and will be handed over by the CGH Group to the Group for management through statutory procedures during the term of such agreement and (ii) the sold property units that have not been delivered pursuant to the respective property purchase contracts for projects developed by the CGH Group, for a term of three years commencing on 1 January 2024 until 31 December 2026.

The annual caps (excluding tax) for fees paid by the CGH Group to the Group under the Property Management Services Framework Agreement for each of the three years ending 31 December 2026 are RMB440 million, RMB410 million and RMB370 million, respectively.



Report of the Directors

Since the incorporation of the Group, the Group has maintained business partnership with the CGH Group and provided property management services for the property owners of its property projects. The Group is a leading service provider in comprehensive property management in the PRC with diversified business focuses. The entry into of the Property Management Services Framework Agreement will help the Group to continue to obtain contracts for preliminary property management services for property projects developed by the CGH Group and provide satisfactory services to the property owners. The payment terms of the Property Management Services Framework Agreement are also conducive to the Group's control over the scale of its receivables and management of financial resources.

For details of the Property Management Services Framework Agreement, please refer to the announcement of the Company dated 29 December 2023.

During the year ended 31 December 2024, the total property management service fee payable by the CGH Group to the Group was approximately RMB241.00 million (of which approximately RMB102.92 million was recognized as revenue by the Company in accordance with the policy set out in note 6(c) to the consolidated financial statements), which did not exceed the cap of RMB440 million.

3. **Value-added Services to Non-Property Owners**

On 29 December 2023, the Company entered into a non-property owner value-added services framework agreement (the “**Non-property Owner Value-added Services Framework Agreement**”) with CGH. In accordance with its principal terms, members of the Group may from time to time enter into individual agreements with members of the CGH Group to provide the CGH Group with the following services (the “**Value-added Services to Non-Property Owners**”) for a term of three years commencing on 1 January 2024 until 31 December 2026:

- (a) Consultancy services including (i) advice and assistance on the setting up and operation of the on-site sales offices of the CGH Group, such as decoration of the venue, physical set-up of booths and exhibitions, greenery, cleaning and maintenance of water and electricity supplies of the sales offices; (ii) provision of guidance and training to the staff of the CGH Group on the operations of the on-site sales offices, including the manners for general reception of guests, the provision of light refreshments, maintenance of a decent and proper interior of the sales offices for guests, management of show flats, property handover, handover inspection; (iii) cleaning services for the properties developed by the CGH Group before delivery to homeowners; (iv) asset operations management services; and (v) engineering services, including but not limited to inspection service to developer and individual owner, and housing maintenance service;
- (b) Sales and leasing agency services including marketing planning programs for the leasing and sales for the houses or parking spaces of the CGH Group, leasing, sales, agency services for property ownership certificates, monitoring and management of the leasing and sales back office;
- (c) Advertising services (which comprise installation, maintenance and dismantling services) in relation to advertisements to be displayed at certain advertising spaces located in the common areas of the property projects managed by the Group;
- (d) Elevators Installation Services including elevator products installation and supporting services; and
- (e) Other services including technology services, after-sales maintenance and warranty services for houses and buildings, disinfection and pest control services, home decoration agency services and other services.

The annual caps (excluding tax) of the transactions contemplated under the Non-property Owner Value-added Services Framework Agreement for the three years ending 31 December 2026 are RMB340 million, RMB250 million and RMB220 million, respectively.



The Group is a leading service provider in comprehensive property management in the PRC with diversified business focuses. The Group has been providing similar services contemplated under the Non-property Owner Value-added Services Framework Agreement to the CGH Group. The payment terms of the Non-property Owner Value-added Services Framework Agreement are also conducive to the Group's control over the scale of its receivables and management of financial resources. The Group will also strictly control the business scale and strengthen recovery of payments in accordance with the principle of prudence.

For details of the Non-property Owner Value-added Services Framework Agreement, please refer to the announcement of the Company dated 29 December 2023.

During the year ended 31 December 2024, the total non-property owner value-added services fee payable by the CGH Group to the Group was approximately RMB295.89 million (of which approximately RMB285.85 million was recognized as revenue by the Company in accordance with the policy set out in note 6(c) to the consolidated financial statements), which did not exceed the cap of RMB340 million.

4. **Hotel, Engineering and Transportation Services Framework Agreement**

On 29 December 2023, the Company entered into a hotel, engineering and transportation services framework agreement (the **"Hotel, Engineering and Transportation Services Framework Agreement"**) with CGH. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group for the provision of hotel services, engineering and transportation services by the CGH Group in accordance with the principal terms of the Hotel, Engineering and Transportation Services Framework Agreement. Under these agreements, the services provided by the CGH Group to the Group include hotel accommodation, maintenance on the public facilities (including engineering services such as upgrading and routine maintenance of facilities and equipment, repair and renovation of civil engineering works), shuttle-bus transportation services and other services (the **"Hotel, Engineering and Transportation Services"**), for a term of three years commencing on 1 January 2024 until 31 December 2026.

The annual caps (excluding tax) for fees paid by the Group to the CGH Group under the Hotel, Engineering and Transportation Services Framework Agreement for each of the three years ending 31 December 2026 are RMB45 million, RMB45 million and RMB45 million, respectively.

The Company was of the view that the entering into of the Hotel, Engineering and Transportation Services Framework Agreement would help raise the Group's service quality and enhance the brand of the Group, and is in conformity with the Group's strategic development needs.

During the year ended 31 December 2024, the total amount for the hotel, engineering and transportation services paid by the Group to the CGH Group was approximately RMB41.44 million, which did not exceed the cap of RMB45 million.

REVIEW AND APPROVAL OF CONTINUING CONNECTED TRANSACTIONS BY INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the continuing connected transactions of the Group and confirmed that the continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better or, if there were insufficient comparable transactions to judge whether they were on normal commercial terms or better, on terms no less favourable to the Group than terms available to or from independent third parties; and
- (3) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.



Report of the Directors

REVIEW AND APPROVAL OF CONTINUING CONNECTED TRANSACTIONS BY AUDITOR

Pursuant to Rule 14A.56 of the Listing Rules, the Company's external auditor, Deloitte, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". The auditor has issued an unqualified letter to the Board containing its findings and conclusions in respect of the disclosed continuing connected transactions as follows:

- (1) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board of the Company;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap set by the Company.

OTHERS

The continuing connected transactions disclosed above constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of significant related party transactions conducted during the year ended 31 December 2024 is disclosed in note 40 "Related party transactions" to the financial statements. These related party transactions include the continuing connected transactions as defined under Chapter 14A of the Listing Rules, and relevant disclosures as required by the Listing Rules are set out in this section. The disclosed amounts of these related party transactions contain certain incomes/expenses which are exempt from the announcement and reporting requirements as they are less than the minimum as required by Rule 14A.76(1) of the Listing Rules.

The Board confirms that the Company has complied with the relevant requirements under Chapter 14A of the Listing Rules in relation to the aforementioned continuing connected transactions.



DISCLOSURE PURSUANT TO RULE 14.36B OF THE LISTING RULES

1. Discloseable transaction in relation to acquisition of 100% equity interest in City-Media

On 30 July 2020, CG Life Services entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with the original shareholders (the “**Original City-Media Shareholders**”, as defined in the announcement of the Company dated 30 July 2020) of City-Media, Zhoushan Maofenghe Equity Investment Partnership (Limited Partnership) (“**Zhoushan Maofeng**”) (as the “**First Vendor**”), Zhoushan Bairuitong Equity Investment Partnership (Limited Partnership) and City-Media, pursuant to which CG Life Services acquired a total of 100% equity interest in City-Media. For details of the acquisition, please refer to the announcement of the Company dated 30 July 2020.

Acquisition of the First Phase Target Shares

CG Life Services agreed to acquire 65% equity interests of City-Media held by the First Vendor (the “**First Phase Target Shares**”). The Original City-Media Shareholders and Zhoushan Maofeng undertook that, during the years of 2020, 2021 and 2022 (the “**Valuation Adjustment Period**”), the accumulated audited principal business income (the “**Principal Business Income**”) and the accumulated audited net profit which is attributable to the shareholders of City-Media after deducting the non-recurring profit or loss (the “**Net Profit After NRI**”) of City-Media shall meet the minimum performance targets for the relevant years as follows:

Year of performance	Principal Business Income		Net Profit After NRI	
	The guaranteed minimum amount of the Principal Business Income for the year (RMB million)	The guaranteed minimum amount of the accumulated Principal Business Income for the year(s) during the Valuation Adjustment Period (RMB million)	The guaranteed minimum amount of the Net Profit After NRI for the year (RMB million)	The guaranteed minimum amount of the accumulated Net Profit After NRI for the year(s) during the Valuation Adjustment Period (RMB million)
2020	375.85	375.85	75.01	75.01
2021	468.46	844.31	110.45	185.46
2022	473.46	1,317.77	114.08	299.54

In the event of fulfilment of the aforementioned performance guarantee by City-Media for 2022, CG Life Services should pay the sixth instalment of the consideration of RMB76.79 million to the First Vendor within 10 working days after the date of confirmation of its audited results or after the date on which the collection rate of the accumulated Principal Business Income (tax inclusive) of City-Media during the Valuation Adjustment Period is not less than 85% (including monetary fund collection and receipt of bank acceptance draft) (whichever is later).

Acquisition of the Second Phase Target Shares

Depending on the fulfillment of the aforementioned performance guarantee, CG Life Services will acquire the remaining 35% of the Target Shares (the “**Second Phase Target Shares**”) from Zhoushan Bairuitong Equity Investment Partnership (Limited Partnership) (the “**Second Vendor**”), such that City-Media will become a wholly-owned subsidiary of CG Life Services. The specific arrangements are any of the following circumstances: (i) in which CG Life Services has the obligation to acquire the Second Phase Target Shares; and (ii) in which CG Life Services has no obligation but has the right to acquire the Second Phase Target Shares.



Report of the Directors

Performance compensation

Following the conclusion of the Valuation Adjustment Period, if the accumulated Principal Business Income of City-Media during the Valuation Adjustment Period is less than RMB1,317.77 million, or the accumulated Net Profit After NRI is less than RMB299.54 million, then the First Vendor shall compensate CG Life Services, and the calculation of the corresponding compensation amount (the “**Performance Compensation Amount**”) is as follows:

$$(A) \frac{(\text{RMB1,317.77 million} - I)}{\text{RMB1,317.77 million}} \times \text{RMB511.94 million}; \text{ or}$$

$$(B) \frac{(\text{RMB299.54 million} - P)}{\text{RMB299.54 million}} \times \text{RMB511.94 million},$$

I = The accumulated actual Principal Business Income during the Valuation Adjustment Period

P = The accumulated actual Net Profit After NRI during the Valuation Adjustment Period

whichever is higher, but not more than RMB511.94 million.

If the amount of the fourth and/or the fifth and/or the sixth instalments of the consideration for the First Phase Target Shares which CG Life Services has not yet paid (the “**Unpaid Consideration**”) is:

- (1) larger or equal to the Performance Compensation Amount, then CG Life Services shall pay to the First Vendor the balance of the Unpaid Consideration after deducting the Performance Compensation Amount; or
- (2) less than the Performance Compensation Amount, then the First Vendor shall pay cash to CG Life Services to make up for the difference between the Performance Compensation Amount and the Unpaid Consideration.

Deemed Fulfilment of Performance Guarantee

Except where the general manager appointed by the Second Vendor voluntarily resigns or offers to cease to serve as the general manager, in the event that CG Life Services deprives the general manager appointed by the Second Vendor of daily operation and management rights or remove such general manager which results in the Second Vendor unable to assign a general manager, then the aforementioned performance guarantee shall be deemed to be fulfilled in full (“**Deemed Fulfilment of Performance Guarantee**”), unless it is due to the discovery by CG Life Services that the person appointed by the Second Vendor violates the standard of conduct for directors, supervisors and senior management.

In a certain year, in the event of Deemed Fulfilment of Performance Guarantee of such year and/or subsequent years, CG Life Services shall, within 10 working days after the occurrence of such a situation, pay the consideration of the First Phase Target Shares for the corresponding instalments for such year and/or subsequent years.

As at the date of this report, in respect of the audit on the aforementioned performance guarantee made by City-Media for 2022, as the vendors and the management of the Company are still in the process of negotiation on recognition of certain revenue and costs and whether certain account receivables should be separately tested for impairment for the purpose of making provision for bad debts of City-Media under the terms of the Equity Transfer Agreement, the auditor was unable to express any opinion on its audit conclusion. The Company will make disclosure as appropriate after obtaining the relevant audit opinions in compliance with the requirement of Rule 14.36B of the Listing Rules.



2. Discloseable transaction in relation to acquisition of 70% equity interest in Manguo

On 14 October 2020, CG Property Services HK and CG Life Services (as the purchasers) entered into an equity transfer agreement with the vendors (being BLP Capital Limited, Huzhou Yuxin Enterprise Management Partnership (Limited Partnership), Huzhou Ruilong Enterprise Management Partnership (Limited Partnership) and Huzhou Changxin Information Technology Partnership (Limited Partnership) (formerly known as Huzhou Yixin Enterprise Management Partnership (Limited Partnership) and subsequently known as Taizhou Yixin Enterprise Management Partnership (Limited Partnership)), Fan Manguo (“**Mr. Fan**”) and Manguo (formerly known as Shandong Manguo Kangjie Environmental Sanitation Group Co., Ltd.), in relation to the acquisition of 70% equity interest in Manguo (the “**Manguo Target Shares**”). For details of the acquisition, please refer to the announcement of the Company dated 14 October 2020.

Valuation Adjustment Amount

The vendors and Mr. Fan undertook that, during the years of 2021, 2022 and 2023 (the “**Valuation Adjustment Period**”), the accumulated Operating Revenue and the accumulated Net Profit After NRI of Manguo shall meet the minimum performance requirements for the relevant year(s) as follows:

Year of performance	Operating Revenue		Net Profit After NRI	
	The guaranteed minimum amount of the Operating Revenue for the year	The guaranteed minimum amount of the accumulated Operating Revenue for the year(s) during the Valuation Adjustment Period	The guaranteed minimum amount of the Net Profit After NRI for the year	The guaranteed minimum amount of the accumulated Net Profit After NRI for the year(s) during the Valuation Adjustment Period
2021	1.22X	1.22X	1.20Y	1.20Y
2022	1.49X	2.71X	1.44Y	2.64Y
2023	1.82X	4.53X	1.73Y	4.37Y

In the paragraph headed “– Valuation Adjustment Amount” in the table above and below:

- (1) X represents the Operating Revenue of Manguo in 2020, which shall not exceed RMB2,400.00 million.
- (2) Y represents the Net Profit After NRI of Manguo in 2020, which shall not exceed RMB220.00 million.

During the Valuation Adjustment Period, if the guaranteed minimum amount of any year listed in the above table is not fulfilled during that year, the vendors and Mr. Fan are not required to pay the valuation adjustment amount to the purchasers. However, following the conclusion of the Valuation Adjustment Period, if the aforementioned performance guarantee is not fulfilled (i.e. the accumulated Operating Revenue of Manguo is less than 4.53X or its accumulated Net Profit After NRI is less than 4.37Y), the vendors and Mr. Fan shall jointly and severally pay the purchasers the valuation adjustment amount within 10 working days following the conclusion of the Valuation Adjustment Period.



Report of the Directors

As at the date of this report, due to (i) the political instability in Pakistan, the progress of the audit of the local operations of Manguo has been seriously affected by the local security control; (ii) the audit report relating to the performance guarantee of Manguo involved a large amount of data in relation to three financial years, and it took more time for the Company to review the relevant accounting working papers in accordance with the relevant terms of the equity transfer agreement; (iii) there was a disagreement amongst the vendors and the management of the Company on the recognition of certain revenue and costs of Manguo under the terms of the equity transfer agreement, and attempts were still being made to resolve the disagreement; and (iv) in respect of the policy on bad debt provision, the vendors has proposed to amend certain terms under the equity transfer agreement, which was still under consideration by the management of the Company. As such, the audit of the aforementioned performance guarantee for Manguo for the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021 has not yet been completed.

The Company will closely monitor the aforementioned performance guarantee and make disclosure as appropriate after obtaining the relevant audit opinions in compliance with the requirement of Rule 14.36B of the Listing Rules.

3. Acquisition of a total of 60% equity interest in Fujian Dongfei

On 30 October 2020, CG Life Services and CG Property Services HK entered into equity transfer agreements with, among others, Fuzhou Dingrong Environmental Protection Technology Co., Ltd. (“**Dingrong Environmental Protection**”) and One Supreme, respectively, pursuant to which the Group agreed to directly and indirectly acquire a total of 60% equity interest in Fujian Dongfei Environment Group Co., Ltd. (福建東飛環境集團有限公司) (“**Fujian Dongfei**”). For details of the acquisition, please refer to the announcement of the Company dated 30 October 2020.

The audited accumulated Operating Revenue and audited accumulated Net Profit After NRI of Fujian Dongfei for each financial year during the years of 2021, 2022 and 2023 (the “**Performance Guarantee Period**”) shall meet the minimum performance requirements for that year as follows:

Year of performance	Operating Revenue		Net Profit After NRI	
	Guaranteed minimum Operating Revenue for the year	Guaranteed minimum audited accumulated Operating Revenue for each year during the Performance Guarantee Period	Guaranteed minimum Net Profit After NRI for the year	Guaranteed minimum audited accumulated Net Profit After NRI for each year during the Performance Guarantee Period
2021	1.15X	1.15X	1.2Y	1.2Y
2022	$1.15 \times 1.15X$	$2.15 \times 1.15X$	$1.2 \times 1.2Y$	$2.2 \times 1.2Y$
2023	$1.2 \times 1.15 \times 1.15X$	$3.53 \times 1.15X$	$1.25 \times 1.2 \times 1.2Y$	$3.7 \times 1.2Y$

For the purposes of the table above and the sections below:

X = Operating Revenue (exclusive of tax) of Fujian Dongfei for 2020 (being RMB1,080 million)

Y = Net Profit After NRI of Fujian Dongfei for 2020 (the “**Performance Guarantee Benchmark(s)**”) (being RMB120 million)



For each financial year during the Performance Guarantee Period, if the audited accumulated Operating Revenue or accumulated Net Profit After NRI of Fujian Dongfei is lower than the aforementioned performance guarantee, Mr. Cai Yuan, Mr. Chen Jian and Mr. Yang Zhuoya (the **“Guarantors”**) shall pay compensation to CG Life Services in cash or through the equity interest in Fujian Dongfei.

If Fujian Dongfei’s audited accumulated Operating Revenue or accumulated Net Profit After NRI for previous years (i.e. 2021 and 2022) is lower than performance undertaking requirements for the year at the end of the Performance Guarantee Period, but the accumulated Operating Revenue and accumulated Net Profit After NRI of Fujian Dongfei reach the minimum audited accumulated Operating Revenue and accumulated Net Profit After NRI for 2023 at the end of the Performance Guarantee Period, it is deemed that Fujian Dongfei has fulfilled the aforementioned performance guarantee.

On 22 July 2024, CG Life Services and CG Property Services HK entered into the supplemental agreement (the **“Supplemental Agreement”**, the equity transfer agreements as amended by the Supplemental Agreement, the **“Amended Equity Transfer Agreements”**) with, among others, Dingrong Environmental Protection and One Supreme, pursuant to which the Company has agreed to amend the equity transfer agreements in relation to the compensation arrangements for Fujian Dongfei failing to meet the above performance guarantee. For details of the equity interest compensation transaction, please refer to the announcement of the Company dated 22 July 2024.

According to the annual audit reports of Fujian Dongfei, its actual performance is as follows:

	Year of performance			Total	Shortfall
	2021 (RMB'0,000)	2022 (RMB'0,000)	2023 (RMB'0,000)		
Operating Revenue	136,628.73	118,179.66	112,814.93	367,623.32	-71,002.57
Net Profit After NRI	14,923.31	17,287.48	10,249.54	42,460.33	-10,819.67

As a result, Fujian Dongfei failed to fulfill the performance guarantee set out in the equity transfer agreements.

Under the Amended Equity Transfer Agreements, One Supreme will make payment by way of compensation through equity interest and transfer its 25% equity interest in Genuine Investment Group Limited (**“Genuine Investment”**) to CG Property Services HK at nil cash consideration. As Genuine Investment holds 30% equity interest in Fujian Dongfei through its direct wholly-owned subsidiary Waytop Investment, the Company may indirectly increase its effective shareholding in Fujian Dongfei by 7.5% through the equity interest compensation transaction.

As at the date of this report, One Supreme completed the registration of the equity transfer under the equity interest compensation transaction under the Amended Equity Transfer Agreements, and the Company has indirectly held an aggregate of 67.5% effective shareholding in Fujian Dongfei.



Report of the Directors

4. Acquisition of Entire Equity Interest in Wealth Best Global

On 20 September 2021, CG Property Services HK entered into an equity transfer agreement with R&F Property Services Group Company Limited ("**R&F Property**") to acquire 100% equity interest in Wealth Best Global Limited ("**Wealth Best Global**") at a consideration of no more than RMB10 billion. For details, please refer to the announcements of the Company dated 20 September 2021 and 12 October 2021.

Phase 1 – Third Instalment of Consideration

R&F Property has undertaken that the audited net profit after NRI and accounting revenue of Wealth Best Global for 2021 shall not be less than RMB500 million and RMB4.2 billion, respectively, and its areas under management and total contracted areas as at 31 December 2021 shall not be less than 86 million sq. m. and 127 million sq. m., respectively.

Consideration Adjustment

If the financial data of Wealth Best Global in 2021 fails to meet any financial indicator specified in the aforementioned performance guarantee, the phase 1 consideration shall be reduced in accordance with the following formulas:

- (1) If the audited net profit after NRI for 2021 is less than RMB500 million, the phase 1 consideration shall be reduced pro-rata to the difference between RMB500 million and the actual audited net profit after NRI.
- (2) If the accounting revenue for 2021 is less than RMB4.2 billion, the phase 1 consideration shall be reduced pro-rata to the difference between RMB4.2 billion and the actual accounting revenue for 2021.
- (3) If the total areas under management as at 31 December 2021 is less than 86 million sq. m., the phase 1 consideration shall be reduced pro-rata to the difference between 86 million sq. m. and the actual total areas under management as at 31 December 2021.
- (4) If the total contracted areas as at 31 December 2021 are less than 127 million sq. m., the phase 1 consideration shall be reduced pro-rata to the difference between 127 million sq. m. and the actual total contracted areas as at 31 December 2021.

If Wealth Best Global fails to meet more than one financial indicator agreed in the aforementioned performance guarantee, the reduction amount shall be the highest of those calculated in accordance with the formulas above. The reduction amount (if any) shall be deducted by CG Property Services HK from the phase 2 consideration.

Due to the disputes among the parties regarding the provision ratio for bad debts, the audit work related to the aforementioned performance guarantee of Wealth Best Global for the year ended 31 December 2021 has not yet been completed. Therefore, it is not yet known whether the financial data of Wealth Best Global in 2021 has met any financial indicators specified in the aforementioned performance guarantee, and it has not been confirmed whether the phase 1 consideration needs to be correspondingly reduced. The Company will continue to closely monitor the above situation and, upon obtaining the relevant audit opinions, make disclosure as appropriate in accordance with the requirements of Rule 14.36B of the Listing Rules.



Phase 2 – Fourth Instalment of Consideration (the “Fourth Instalment of Consideration”)

In addition to the areas under management of 86 million sq. m. agreed to be delivered under the performance guarantee for 2021, R&F Property and the R&F Property Related Parties (as defined in the Company’s announcement dated 20 September 2021) shall deliver areas under management (the **“Delivered GFA under Management”**) of 66 million sq. m. to Wealth Best Global or other entities designated by CG Property Services HK for a total consideration of RMB3 billion. The Fourth Instalment of Consideration shall be payable in instalments after CG Property Services HK has paid the third instalment of consideration. The parties shall conduct inventory taking on a monthly basis to determine the part of the Fourth Instalment of Consideration payable in the month according to the monthly inventory taking results.

$$\text{Consideration payable for each month} = \frac{\text{Areas delivered in the month}}{66 \text{ million sq. m.}} \times \text{RMB3 billion}$$

The contracted unit price of the areas under management transferred to CG Property Services HK shall meet the following requirements:

- (1) for residential properties, it shall be not lower than the average local market unit price for the properties within the same business type category and in the same area in principle; and
- (2) for commercial properties, if the R&F Property Related Parties own local projects within the same business type category in the same area, it shall be determined with reference to the average market unit price for the projects of the R&F Property Related Parties. If there is no local project owned by the R&F Property Related Parties within the same business category, it shall be not lower than the average market unit price for the projects within the same business type category in the same area.

The part of the Fourth Instalment of Consideration payable by CG Property Services HK for a month shall be utilized first to offset the Balance with Related Parties (as defined below) as stated in the section headed **“Handling of balance with related parties”** below.

Handling of balance with related parties

The amount due to the Wealth Best Global Group by R&F Property and the R&F Property Related Parties (the **“Balance with Related Parties”**) not exceeding RMB610 million shall be offsetted with the Fourth Instalment of Consideration until the consideration in excess of the limited of the Balance with Related Parties is paid after being fully settled through offsetting.

If the aforesaid amount of RMB610 million due to the Wealth Best Global Group by R&F Property and the R&F Property Related Parties has not been fully settled through offsetting as at 30 June 2024, R&F Property shall make up for the shortfall within 20 statutory working days in the PRC following the determination of the amount outstanding. For the excess of the amount due to the Wealth Best Global Group by R&F Property and the R&F Property Related Parties over such RMB610 million, CG Property Services HK has the right to either offset such amount with each instalment of the consideration or request R&F Property and the R&F Property Related Parties to pay such amount.



Report of the Directors

As at the date of this report, as the parties have not yet confirmed the amount of the Fourth Instalment of Consideration calculated based on the Delivered GFA under Management as of 30 June 2024 that can be offset against Balance with Related Parties, and the parties were still in dispute over the impairment of the trade receivables owed by R&F Property and the R&F Property Related Parties to the Wealth Best Global Group, CG Property Services HK and R&F Property have not yet reached a consensus on relevant matters and conclusions of the aforementioned performance guarantee. As such, the audit of the aforementioned performance guarantee for Wealth Best Global for the year ended 31 December 2021 has not yet been completed. Currently, the parties have implemented and will continue to take measures of debt-for-equity to reduce the amount of Balance with Related Parties, while making progress in discussing the solutions for the recovery of Balance with Related Parties, negotiating the terms of possible supplemental agreement to the equity transfer agreement and other matters related to subsequent business cooperation. Meanwhile, the Company will also continue to closely monitor the audit of the aforementioned performance guarantee and make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules after obtaining the relevant audit opinions.

5. Acquisition of Shares of Everjoy Services Company Limited

On 11 February 2022, CG Property Services HK entered into a binding equity purchase agreement (the **“Original Majority Equity Purchase Agreement”**) with Chuangchen International Co., Ltd. (創辰國際有限公司), Chuangzhuo International Co., Ltd. (創卓國際有限公司), Chuangyuan International Co., Ltd. (創沅國際有限公司), Tycoon Ample Limited (亨盛有限公司) and Mr. Yang Jian (楊劍) (collectively, the **“Majority Vendors”**), and entered into a binding equity purchase agreement (the **“Original Minority Equity Purchase Agreement”**) (together with the Original Majority Equity Purchase Agreement, the **“Agreements”**) with Chuangzhi International Co., Ltd. (創志國際有限公司), Chuangtong International Co., Ltd. (創同國際有限公司), Mr. Li Jiacheng (李家城) and Mr. Ma Fei (馬飛) (collectively, the **“Minority Vendors”**) (together with the Majority Vendors, the **“Vendors”**), pursuant to which CG Property Services HK agreed to acquire a total of approximately 93.76% equity interest in Everjoy Services Company Limited. (**“Everjoy Services”**) at a total consideration of no more than approximately RMB3,129 million in cash (the **“Acquisition”**). The terms of the Agreements were determined after arm’s length negotiations between the parties.

On 29 March 2022, the Company, CG Property Services HK and the relevant Vendors entered into the Majority First Supplemental Agreement and the Minority First Supplemental Agreement, respectively, to amend the arrangements for payment of the consideration under the Original Majority Equity Purchase Agreement and the Original Minority Equity Purchase Agreement (including the change of payment method for part of the consideration to payment through issuing consideration shares), the performance guarantees and the contractual arrangements for relevant matters. Pursuant to the amended Agreements, the maximum number of the consideration shares to be issued is 45,983,980 Shares.

On 29 March 2022, CG Property Services HK entered into the Majority Second Supplemental Agreement and the Minority Second Supplemental Agreement with the relevant Vendors and Shanghai Zhongchengyun City Operation Management Co., Ltd (formerly known as Shanghai Zhongchengyun City Construction Services Co. Ltd., a related party of the Majority Vendors), respectively, to amend the scope of the projects for which Everjoy Services and its subsidiaries has entered into contracts and which have not been taken over yet as at 31 December 2021, including the part of the projects to be delivered in phases for which contracts have been entered into but which are not taken over yet (the **“Projects In Transit”**) and the Injected Projects (as defined under the Agreements and collectively, the **“Projects”**), the rectification of the Projects, the reorganization arrangements of Everjoy Services and its subsidiaries, the handling of related party transactions and accounts and the contractual arrangements for relevant matters under the Original Majority Equity Purchase Agreement, the Original Minority Equity Purchase Agreement, the Majority First Supplemental Agreement and the Minority First Supplemental Agreement.



Please refer to the announcements of the Company dated 14 February 2022, 29 March 2022 and 20 May 2022 for details.

I. Payment Conditions

	Business or asset of the Target Group corresponding to the consideration	Consideration receivable by the Majority Vendors and its payment method (RMB)	Consideration receivable by the Minority Vendors and its payment method (RMB)
Second part of consideration	Non-property owners value-added business under management	No more than 45 million payable in cash in 10 annual installments	None
Third part of consideration	Projects In Transit	No more than 640.80 million payable in cash according to project delivery progress	No more than 79.20 million payable through the consideration shares in equivalent value (the " Minority PIT Consideration Shares ") according to project delivery progress
Fifth part of consideration	Injected Projects	No more than approximately 1,571.44 million payable through the consideration shares in equivalent value (the " Majority Consideration Shares ") according to project delivery progress	None

Second part of consideration

The second part of consideration shall be paid in ten installments corresponding to the ten financial years from 1 January 2022 to 31 December 2031, with each installment of RMB4.5 million.

If both of the revenue and gross profit margin of the non-property owners value-added business under management for the relevant financial years remain to reach the prescribed benchmarks (being RMB150 million and 15%, respectively), CG Property Services HK shall pay the corresponding installment of consideration to the Majority Vendors after the annual audit is completed. If any indicator for any financial year fails to meet the prescribed benchmarks, CG Property Services HK shall have the right to not pay the corresponding installment of consideration and to deduct it from the total consideration.

As the management of Everjoy Services and the Majority Vendors failed to reach the prescribed benchmarks in respect of the revenue of the non-property owners value-added business under management of Everjoy Services for the year 2023, CG Property Services HK was not required to pay the consideration of RMB4.5 million for the period in respect of the non-property owners value-added business under management for the year 2023.

As the discussion between the management of Everjoy Services and the Majority Vendors in respect of whether the revenue and gross profit margin of the non-property owners value-added business under management of Everjoy Services for the year 2024 will reach the prescribed benchmarks is still in progress, the payment of RMB4.5 million by CG Property Services HK for the current period has yet to be confirmed. The Company will closely monitor the above situation and make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules.



Report of the Directors

Third part of consideration

The third part of consideration shall be paid in stages according to the delivery progress of the Projects In Transit.

Following the end of each half-year period since 1 January 2022, the parties shall review the Projects In Transit delivered during such half-year period.

Within 10 working days following completion of each biannual review, CG Property Services HK shall pay the corresponding cash consideration and issue the Minority PIT Consideration Shares in equivalent corresponding value based on the saturated revenue of the Projects In Transit delivered during such period and the agreed formula. As at the date of this report, due to the impact of the downturn in the domestic real estate market, the management of Everjoy Services expects that the timeframe for the Projects In Transit to be delivered to Everjoy Services will be extended from full delivery by 30 June 2024 to full delivery being expected to be completed by 30 June 2026. In addition, CG Property Services HK may deduct outstanding non-property owners value-added services fees payables, various expense resulting from termination of contracts and expenses advanced and losses incurred by Everjoy Services from the third part of consideration and outstanding consideration payable directly.

The following table summarises the Company's payment of the third part of consideration to the Majority Vendors and Minority Vendors, respectively, under the terms of the equity purchase agreements, following the review by relevant parties of the Projects In Transit delivered during relevant half-year periods from 1 January 2022 to 31 December 2024:

Period	Consideration paid to the Majority Vendors	Consideration paid to the Minority Vendors
From January 2022 to December 2022	Approximately RMB65.69 million paid in cash	<p>Some of the Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB4.8054 million</p> <p>Due to existing litigation disputes or overdue payments in respect of the payment of the third part of consideration between the Company and the remaining Minority Vendors, the Company has, after reaching a settlement to conclusion of the litigation between the Company and the Minority Vendors, paid approximately RMB4.4760 million in cash (inclusive of the consideration of the Projects In Transit delivered, legal fees, litigation costs and liquidated damages incurred in connection with the litigation) to the Minority Vendors in accordance with the terms of the equity purchase agreements</p>



Report of the Directors

Period	Consideration paid to the Majority Vendors	Consideration paid to the Minority Vendors
From January 2023 to June 2023	Approximately RMB64.34 million paid in cash	<p>The relevant Minority Vendor(s) has/have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB4.2723 million</p> <p>Due to existing litigation disputes or overdue payments in respect of the payment of the third part of consideration between the Company and the remaining Minority Vendors, the Company has, after reaching a settlement to conclusion of the litigation between the Company and the Minority Vendors, paid approximately RMB3.8893 million in cash (inclusive of the consideration of the Projects In Transit delivered and liquidated damages) to the Minority Vendors in accordance with the terms of the equity purchase agreements</p> <p>Save as disclosed above, the Company is currently negotiating with the Minority Vendors regarding the outstanding balance. The specific amount shall be subject to final negotiation and payment</p>
From July 2023 to December 2023	Approximately RMB61.4593 million paid in cash	<p>The relevant Minority Vendor(s) has/have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB4.0812 million</p> <p>Save as disclosed above, the Company is currently negotiating with the Minority Vendors regarding the outstanding balance. The specific amount shall be subject to final negotiation and payment</p>
From January 2024 to June 2024	Approximately RMB18.7761 million paid in cash	<p>Several Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB1.7570 million</p> <p>Save as disclosed above, the Company is currently negotiating with the Minority Vendors regarding the outstanding balance. The specific amount shall be subject to final negotiation and payment</p>



Report of the Directors

Period	Consideration paid to the Majority Vendors	Consideration paid to the Minority Vendors
From July 2024 to December 2024	No cash payment has been made as the Company and the Majority Vendors are confirming the saturated revenue of Projects In Transit delivered and the amounts due from related parties of the Majority Vendors	Minority Vendors have been paid by consideration shares at an agreed issue price per share under the equity purchase agreements of approximately RMB1.3933 million Save as disclosed above, the Company shall, based on the amount confirmed with the Majority Vendors, negotiate with the Minority Vendors regarding the outstanding balance subsequently. The specific amount shall be subject to final negotiation and payment

* As disclosed in the announcement of the Company dated 29 March 2022, the issue price of the consideration shares is HK\$46.1725 per share.

The Company will closely monitor the above situation and, after obtaining confirmation from the Vendors, make payments to the Majority Vendors in cash and to the Minority Vendors through issuing consideration shares (or in cash, if applicable) as soon as practicable. The Company will also make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules.

Fifth Part of Consideration

The fifth part of consideration shall be paid in stages according to the progress of delivery of the Injected Projects by the related parties of the Majority Vendors to the target group.

Following the end of each half-year period since 1 January 2022, the parties shall review the Injected Projects delivered during such half-year period.

Within one month following each biannual review, CG Property Services HK shall procure the issue of the Majority Consideration Shares in equivalent corresponding value based on the saturated revenue of the Injected Projects delivered during such period and the agreed formula.

In 2024, no projects have been injected into the target group by the related parties of the Majority Vendors and no Shares of the Company are required to be issued by CG Property Services HK to the Vendors pursuant to the terms of the equity purchase agreements.

II. Performance Guarantee

- (1) The Majority Vendors and the Minority Vendors have undertaken to CG Property Services HK that the saturated revenue of the Projects under management for each half-year period from 1 January 2022 until full settlement of the third part of consideration shall not be less than the corresponding amount as at 31 December 2021.



- (2) The Minority Vendors have undertaken to CG Property Services HK that the performance of the target group for the three years from 1 July 2022 to 30 June 2025 shall meet the following targets:

Performance Guarantee Period	Operating Revenue	Net profit after NRI	GFA under management
1 July 2022 to 30 June 2023	No less than RMB1,200 million	No less than RMB125 million	The GFA under management as at 30 June 2023 shall not be less than the GFA under management as at 31 December 2021
1 July 2023 to 30 June 2024	No less than RMB1,320 million	No less than RMB137 million	The GFA under management as at 30 June 2024 shall not be less than the GFA under management as at 30 June 2023
1 July 2024 to 30 June 2025	No less than RMB1,452 million	No less than RMB150 million	The GFA under management as at 30 June 2025 shall not be less than the GFA under management as at 30 June 2024

Upon issue, the Minority Consideration Shares (as defined in the announcement of the Company dated 29 March 2022) shall be charged in favor of CG Property Services HK or its designated entity to secure the performance guarantee made by the Minority Vendors. For each performance guarantee period, upon confirmation that the relevant targets have been met, CG Property Services HK shall arrange to release the share charge over one-third of the Minority Consideration Shares. If the target for any performance guarantee period is not met, the share charge over corresponding portion of the Minority Consideration Shares shall not be released, and such performance guarantee period and subsequent performance guarantee periods (including the corresponding timetable for release of share charge) shall be extended for one year and so forth until such target is met, except that any Minority Consideration Shares over which the share charge has not been released as at 30 June 2032 shall be forfeited.

If the target group fails to meet performance guarantee (1) and/or the target for GFA under management under performance guarantee (2), the Majority Vendors and/or the Minority Vendors shall make up for a portion of the corresponding shortfall in consideration in cash in accordance with the agreed formula or inject new projects meeting the specified criteria and conditions into the target group to make up for a portion of the corresponding shortfall in saturated revenue. If such cash compensation is not made or such projects for compensation are not injected, CG Property Services HK shall have the right to dispose of the charged Minority Consideration Shares to meet the obligations of the Minority Vendors to make up for the shortfall.

In respect of the performance guarantee (1) above, as stated in the section headed “**Third part of consideration**”, the parties have agreed to extend the full delivery date of the Projects In Transit to 30 June 2026 when all deliveries are expected to be completed. Accordingly, the performance guarantee period in relation to performance guarantee (1) has not yet expired. The Company will closely monitor the above situation and make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules.

In respect of the performance guarantee (2) above, as CG Property Services HK have not yet reached a consensus with the Minority Vendors as to whether the performance guarantee targets for the performance guarantee period from 1 July 2022 to 30 June 2024 have been met. Therefore, CG Property Services HK would not release the share charge over one-third of the Minority Consideration Shares for the corresponding performance guarantee period for the time being. The Company will closely monitor the above situation and make disclosure as appropriate in compliance with the requirement of Rule 14.36B of the Listing Rules.



Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the Shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)), which were required to be entered in the register pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the Shares and underlying shares of the Company

Name of Director	Capacity	Number of Shares held	Number of interests in underlying shares held under equity derivatives	Total	% of total Shares in issue as at 31 December 2024	Number of debentures held
Ms. Yang Huiyan	Interest of controlled corporation and other interests	1,218,336,100 ⁽¹⁾	–	1,218,336,100	36.44%	–
Mr. Xu Binhuai	Beneficial owner	1,240,667 ⁽²⁾	12,000,000 ⁽⁴⁾	13,240,667	0.40%	–
Mr. Xiao Hua	Beneficial owner	755,795 ⁽³⁾	5,000,000 ⁽⁴⁾	5,755,795	0.17%	–

Notes:

As at 31 December 2024, the total number of Shares in issue of the Company was 3,343,049,591 Shares.

- (1) As at 31 December 2023, Concrete Win Limited (“Concrete Win” or the “Donor”) and Fortune Warrior Global Limited (“Fortune Warrior”) held 418,332,094 Shares and 125,363,139 Shares, respectively. Concrete Win and Fortune Warrior are beneficially wholly-owned by Ms. Yang Huiyan. By virtue of the SFO, Ms. Yang Huiyan is deemed to be interested in the same number of Shares in which Concrete Win and Fortune Warrior were interested in. Ms. Yang Huiyan and Concrete Win entered into a deed of gift with Guoqiang Public Welfare Foundation (Hong Kong) Limited (“Guoqiang Public Welfare Foundation (Hong Kong)”) on 29 July 2023 (the “Deed of Gift”). Pursuant to the Deed of Gift, the Donor donated 674,640,867 Shares (the “Donation Shares”) to Guoqiang Public Welfare Foundation (Hong Kong) for charitable purposes, and appointed Ms. Yang Huiyan and the Donor or their designated person(s) as proxies to exercise the voting rights in respect of the Donation Shares on behalf of Guoqiang Public Welfare Foundation (Hong Kong) at the discretion of Ms. Yang Huiyan and the Donor. Ms. Yang Huiyan continued to directly and indirectly control the voting rights in respect of 1,218,336,100 Shares, which include the voting rights in respect of the Donation Shares.
- (2) These Shares represent 240,000 Shares held by Mr. Xu Binhuai which were purchased in the secondary market and 1,000,667 Shares issued to Mr. Xu Binhuai upon his exercise of the options granted to him under a pre-listing share option scheme adopted by the then shareholders of the Company on 13 March 2018, which was subsequently amended by a resolution passed at the extraordinary general meeting held on 7 November 2019 (“Pre-Listing Share Option Scheme”).
- (3) These Shares represent 37 Shares distributed to Mr. Xiao Hua by virtue of the shares of CGH held by him prior to the spin-off of the Company from CGH and separate listing on the Main Board of the Stock Exchange, 5,558 Shares received by Mr. Xiao Hua as the distributed final dividend of CG Services for 2020 and 750,200 Shares issued to Mr. Xiao Hua upon his exercise of the options granted to him under the Pre-Listing Share Option Scheme.
- (4) The relevant interests are unlisted physically settled options granted pursuant to the 2024 Share Option Scheme. Upon exercise of the share options in accordance with the 2024 Share Option Scheme, the corresponding number of ordinary Shares will be issued at HK\$5.01 per Share. The share options are personal to the respective Directors.

Long positions in the shares of an associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held	Approximate % of total issued shares of the associated corporation as at 31 December 2024 ⁽¹⁾
Ms. Yang Huiyan	Justbon Services	Interest of controlled corporation	177,584,598	99.71%

Note:

- (1) The resolution for approving the delisting of H shares of Justbon Services from the Stock Exchange was passed at the general meeting and H share class meeting of Justbon Services held on 17 June 2021, and the delisting acceptance condition was satisfied on 15 July 2021. The listing of H shares of Justbon Services on the Stock Exchange was voluntarily withdrawn at 4:00 p.m. on 19 August 2021. Following the delisting, the shares of Justbon Services, as a PRC issuer, are no longer divided into H shares and domestic shares and are all ordinary shares with nominal value of RMB1 each. The percentage is calculated based on the total shares of Justbon Services of 178,102,160 shares as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors and chief executives of the Company (including their spouses and children under the age of 18) had any interest in, or had been granted any right to subscribe for the Shares and options of the Company and its associated corporations (within the meaning of the SFO), or had exercised any such rights.



Report of the Directors

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2024, as set out in the register kept under Section 336 of the SFO, the following companies and persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares and underlying shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares held or interested in	Approximate % of total Shares in issue
Concrete Win	Beneficial owner	1,092,972,961 (L)	32.69%
Mr. Chen Chong ⁽¹⁾	Interest of spouse	543,695,233 (L)	16.26%
	Interest of controlled corporation	674,640,867(L)	20.18%
Guoqiang Public Welfare Foundation (Hong Kong) ⁽²⁾	Beneficial owner	674,640,867 (L)	20.18%

Notes:

L – long position

S – short position

As at 31 December 2024, the total number of Shares in issue of the Company was 3,343,049,591 Shares.

- (1) By virtue of the SFO, Mr. Chen Chong is deemed to be interested in the Shares held by his spouse, Ms. Yang Huiyan, whose interests are disclosed in the above section headed **"Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations"**. On 26 August 2024, Mr. Chen Chong became the sole member of Guoqiang Public Welfare Foundation (Hong Kong). By virtue of the SFO, Mr. Chen Chong is deemed to be interested in the Shares held by Guoqiang Public Welfare Foundation (Hong Kong).
- (2) Ms. Yang Huiyan and Concrete Win entered into the Deed of Gift with Guoqiang Public Welfare Foundation (Hong Kong) on 29 July 2023. Pursuant to the Deed of Gift, the Donor donated 674,640,867 Shares to Guoqiang Public Welfare Foundation (Hong Kong) for charitable purposes. Ms. Yang Huiyan and Concrete Win continue to control the voting rights of 674,640,867 shares held by Guoqiang Public Welfare Foundation (Hong Kong).

Save as disclosed above, as at 31 December 2024, the Company had not been notified of any other person (other than the Directors or chief executives of the Company) who was recorded in the register of the Company as having an interest or short position in the Shares and underlying Shares of the Company 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 under Section 336 of the SFO.



SHARE OPTION SCHEMES

(a) 2020 Share Option Scheme

On 28 September 2020, the 2020 Share Option Scheme was approved and adopted by the Shareholders, which is for a term of 10 years from the date of its adoption and will expire on 27 September 2030 unless terminated in advance. On 9 July 2024, the 2024 Share Option Scheme was approved and adopted by the Shareholders at a general meeting, and the Board resolved to terminate the 2020 Share Option Scheme. A summary of the principal terms of the 2020 Share Option Scheme is set out as follows:

(i) Purpose

- To motivate the eligible participants to work hard for the future development of the Group by providing them with the opportunities for acquiring the Shares of the Company so as to promote the long-term stable development of the Group;
- To provide incentives and/or rewards to eligible participants for their contribution to the Group; and
- To enhance the Group's ability to attract and retain individuals with outstanding skills and extensive experience.

(ii) Eligible participants

- any current employee, executive or officer of the Group;
- any Director (including non-executive Director and independent non-executive Director); or
- service providers, including any advisor, consultant or business partner of any member of the Group whom the Board or its authorised person considers at its sole discretion has made or will make contribution to the Group.

(iii) Total number of Shares which may be issued and its percentage of the Shares in issue as at the date of this annual report

- The maximum number of Shares which may be issued pursuant to the 2020 Share Option Scheme will be 82,780,000 Shares.
- The maximum number of Shares which may be issued under the share options that may be granted under the 2020 Share Option Scheme, and new and other existing share option schemes of the Company shall not exceed 10% of the total number of issued Shares.
- The maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2020 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

As the 2020 Share Option Scheme was terminated by the Board on 9 July 2024, no Shares were available for issue under the 2020 Share Option Scheme as at the date of this report.



Report of the Directors

(iv) Maximum entitlement to options of each eligible participant

The total number of Shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the 2020 Share Option Scheme) in any 12-month period must not exceed 1% of the issued Shares of the Company.

(v) Exercise period of options

The period during which the grantees may exercise the options under the 2020 Share Option Scheme shall not exceed 5 years from the date of grant and is subject to the terms of the 2020 Share Option Scheme.

(vi) Payment on acceptance of option offer

HK\$1.00 is payable by each participant to the Company upon acceptance of the 2020 option offer as consideration for the grant within 30 days after the option offer is made by the Company.

(vii) Basis for determining the exercise price

The exercise price of the 2020 share options shall be determined at the sole discretion of the Board, but in any case, at least the highest of the following:

- the closing price of the Shares on the date of grant (which must be a business day) as stated on the daily quotations sheet of the Stock Exchange;
- the average closing price of the Shares for the five business days before the date of grant as stated on the daily quotations sheet of the Stock Exchange; and
- 95% of the average closing price of the Shares for the ten business days before the date of grant as stated on the daily quotations sheet of the Stock Exchange.

(viii) Remaining life of the scheme

The 2020 Share Option Scheme was valid for a period from 29 September 2020 to 9 July 2024. No further share options shall be granted under the 2020 Share Option Scheme after it was terminated on 9 July 2024. However, the provisions of the 2020 Share Option Scheme shall remain in full force and effect in all other respects, and the options granted and not yet exercised shall remain valid and exercisable during the exercise period.

(ix) Vesting period

Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the 2020 Share Option Scheme for the holding of an option before it can be exercised.

On 28 September 2020, 23 March 2021 and 30 March 2022, the Company granted share options to a total of 73 eligible participants, including 65 participants who were employees (other than Directors) at the time of grant, 4 Directors and 4 service providers (the number of share options granted to one of the service providers exceeded 0.1% of the issued share capital of the Company at the adoption date). Some eligible participants who were granted share options on 30 March 2022 were also the eligible participants who were granted share options on 23 March 2021. The share options granted on 23 March 2021 were cancelled on 30 March 2022.

On 9 July 2024, the Board resolved to terminate the 2020 Share Option Scheme and cancel the 24,792,000 outstanding options granted but not yet exercised under the 2020 Share Option Scheme.



Report of the Directors

During the year ended 31 December 2024, details of movements in the share options under the 2020 Share Option Scheme are as follows:

Category and name of grantee	Options to subscribe for Shares						Exercise price per Share (HK\$)	Date of grant	Exercise period
	Outstanding as at 1 January 2024	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed During the Year	Outstanding as at 31 December 2024			
Directors									
Mr. Xu Binhuai	1,540,000	-	-	1,540,000	-	-	50.07	28.09.2020	Vesting date ⁽¹⁾ – 9 July 2024 ⁽⁹⁾
Mr. Xiao Hua	860,000	-	-	860,000	-	-	50.07	28.09.2020	Vesting date ⁽¹⁾ – 9 July 2024 ⁽⁹⁾
Sub-total of Directors	2,400,000	-	-	2,400,000	-	-			
Employee participants	23,319,000 ⁽⁴⁾	-	-	21,272,000	2,047,000	-	50.07	28.09.2020	Vesting date ⁽²⁾ – 9 July 2024 ⁽⁹⁾
	2,104,000	-	-	1,060,000	1,044,000	-	50.07	30.03.2022	Vesting date ⁽³⁾ – 9 July 2024 ⁽⁹⁾
Service providers	60,000	-	-	60,000	-	-	50.07	28.09.2020	Vesting date ⁽¹⁾ – 9 July 2024 ⁽⁹⁾
Sub-total of eligible participants (other than Directors)	25,483,000	-	-	22,392,000	3,091,000	-			
Total	27,883,000	-	-	24,792,000	3,091,000	-			

Notes:

- (1) Subject to the satisfaction of certain vesting conditions, the vesting date shall be the date on which the auditor's report of the Company for the relevant financial year is issued: (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2020 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2021 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued.
- (2) Subject to the satisfaction of certain vesting conditions, the vesting date of the share options granted by the Company on 28 September 2020 to a total of 61 other participants, including 57 employees (other than Directors) and 4 service providers*, to subscribe for 53,900,000 Shares shall be the date as set out in note (1), and the vesting date of the share options granted to 4 employees (other than Directors) to subscribe for the remaining 2,400,000 Shares shall be the date on which the auditor's report of the Company for the relevant financial year is issued, which is (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2021 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2023 is issued.

* Service providers (all being consultants of the Company) represent persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group. For the avoidance of doubt, service providers exclude placing agents or financial advisors providing consulting services for fundraising, mergers or acquisitions or professional services provider who provides assurance services, or is required to perform services with impartiality and objectivity.



Report of the Directors

- (3) Subject to the satisfaction of certain vesting conditions, as at 30 March 2022, the Company granted share options to five employees (other than Directors) to subscribe for 3,240,000 Shares in total, of which the vesting date of share options granted to two grantees to subscribe for a total of 1,600,000 Shares shall be the date on which the auditor's report of the Company for the relevant financial year is issued, (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2021 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2023 is issued. The vesting date of share options granted to the remaining three grantees to subscribe for a total of 1,640,000 Shares shall be the date on which the auditor's report of the Company for the relevant financial year is issued, (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2023 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2024 is issued. The reason for the vesting period of some share options being less than 12 months is that: the exercise price (i.e. exercise price of HKD72.40) of the same number of outstanding share options granted on 23 March 2021 (i.e. share options to subscribe for 1,600,000 Shares) no longer serves the purpose of providing incentives and rewards for promoting the grantees to contribute to the Group, and is not conducive to retaining existing grantees and make lasting contributions to the development of the Group. Accordingly, both the Remuneration Committee and the Board have resolved to cancel the outstanding share options under the 2020 Share Option Scheme and grant an equal number of new share options to the existing grantees.
- (4) Mr. Guo Zhanjun was redesignated from a director to an employee participant of the Company in April 2024.
- (5) The expense of share options charged to profit or loss during the Year was approximately RMB-13.80 million (for the corresponding period in 2023: RMB-202.65 million), mainly due to the lapse of certain share options and cancellation of all share options during the Year which offsets the expense of share options provided in the previous period. The relevant accounting policy is described in Note 44.19 "Share-based payments" to this report.
- (6) During the Year, no share options were exercised or vested by eligible participants, therefore the weighted average closing price of relevant Shares immediately preceding the date of exercise or vesting of share options was not applicable.
- (7) As at 1 January 2024 and 31 December 2024, the number of share options available for grant under the 2020 Share Option Scheme to subscribe for the relevant Shares (including the share options lapsed according to the 2020 Share Option Scheme) was 34,636,000 and nil, respectively.
- (8) During the Year, no share options were granted by the Company, therefore the total number of Shares which may be issued upon the exercise of the share options granted under the 2020 Share Option Scheme divided by the weighted average number of Shares (excluding treasury Shares) in issue during the Year is zero.
- (9) On 9 July 2024, the Board resolved to terminate the 2020 Share Option Scheme and cancel the 24,792,000 outstanding options granted but not yet exercised under the 2020 Share Option Scheme.

Save as disclosed above, no outstanding options had been exercised, cancelled or lapsed under the 2020 Share Option Scheme during the reporting period.



(b) 2024 Share Option Scheme

On 9 July 2024, the 2024 Share Option Scheme was approved and adopted by the Shareholders and a Board meeting was held on 18 November 2024 to allow the use of treasury Shares for the grant of Shares to enable more flexibility. The 2024 Share Option Scheme is for a term of 10 years from the date of its adoption and will expire on 8 July 2034. A summary of the principal terms of the 2024 Share Option Scheme is set out as follows:

(i) **Purpose**

- To motivate the eligible participants to work hard for the Group's future development by providing them with an opportunity to acquire the Shares of the Company, thereby promoting long-term stable development of the Group;
- To provide the eligible participants with incentives and/or rewards for their contributions to the Group; and
- To enhance the Group's ability to attract and retain individuals with outstanding skills and extensive experience.

(ii) **Eligible participants**

Eligible participants for the 2024 Share Option Scheme include the employee participants and the service providers.

(iii) **Total number of Shares which may be issued and its percentage of the Shares in issue as at the date of this annual report**

- The maximum number of Shares which may be issued pursuant to the 2024 Share Option Scheme will be 334,302,033 Shares, which shall not exceed 10% of the total number of Shares in issue at the date of the adoption of the 2024 Share Option Scheme (excluding treasury Shares).
- The maximum number of Shares which may be issued in respect of all options to be granted under the 2024 Share Option Scheme to the service providers will be 66,860,406 Shares, which shall not exceed 2% of the total number of Shares in issue at the date of the adoption of the 2024 Share Option Scheme (excluding treasury Shares).

As at the date of this report, a total of 334,302,033 Shares, representing approximately 10% of the issued share capital (excluding treasury Shares) of the Company as at the date of this report, were available for issue under the 2024 Share Option Scheme, including those granted but not yet lapsed or exercised options which may subscribe for 224,150,000 Shares.



(iv) Maximum entitlement to options of each eligible participant

For any twelve (12)-month period up to and including the grant date, the aggregate number of Shares issued and to be issued in respect of all options and awards granted to such eligible participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) shall not in aggregate exceed 1% of the total number of Shares in issue as at the grant date (excluding treasury Shares). Where the grant of options to such eligible participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) would result in the number of Shares issued and to be issued upon exercise of all options granted and to be granted to such eligible participants in the twelve (12)-month period up to and including the grant date representing in aggregate in excess of 1% of the total number of Shares in issue as at the grant date (excluding treasury Shares), such grant of options shall be separately approved by the Shareholders in general meeting with such eligible participant and his close associates (or associates if the eligible participant is a connected person) abstaining from voting.

(v) Exercise period of options

An option may (and may only) be exercised by the grantee at any time or times during the option period subject to any provisions for early termination contained in the 2024 Share Option Scheme. The option period shall not exceed the period of ten (10) years from the grant date and shall be determined by the Board in its absolute discretion to the grantee in the offer letter.

(vi) Vesting period of options

The vest period of options shall be set by the Board at the time of grant, which shall be no less than twelve (12) months from the acceptance date. The options of eligible participants shall not have a shorter vesting period which is less than 12 months, unless a shorter vesting period is approved by the Remuneration Committee and the Board for the Shares granted to the specified eligible participant.

(vii) Payment on acceptance of option offer

An option shall be deemed to be granted and accepted by a grantee and become effective when the duplicate offer letter constituting acceptance of the option is duly signed by the grantee, together with a payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Payment of consideration for the grant shall in no circumstances be refundable.

(viii) Basis for determining the exercise price

The exercise price shall be determined at the sole discretion of the Board, but in any case, at least the higher of: (a) the closing price of the Shares on the date of grant (which must be a business day) as stated on the daily quotations sheet of the Stock Exchange; and (b) the average closing price of the Shares for the five (5) business days before the date of grant as stated on the daily quotations sheet of the Stock Exchange; provided that in the event of fractional prices, the exercise price per Share shall be rounded upwards to the nearest whole cent.

(ix) Remaining life of the scheme

The 2024 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the adoption date, after which period no further options will be offered or granted but the provisions of the 2024 Share Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the 2024 Share Option Scheme.



Report of the Directors

During the year ended 31 December 2024, details of movements in the share options under the 2024 Share Option Scheme are as follows:

Category and name of grantee	Options to subscribe for Shares						Exercise price per Share (HK\$)	Date of grant	Exercise period
	Outstanding as at 1 January 2024	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed During the Year	Outstanding as at 31 December 2024			
Directors									
Mr. Xu Binhuai	-	12,000,000	-	-	-	12,000,000	5.01	22.07.2024	Vesting date ⁽¹⁾ – 21 July 2034
Mr. Xiao Hua	-	5,000,000	-	-	-	5,000,000	5.01	22.07.2024	Vesting date ⁽¹⁾ – 21 July 2034
Sub-total of Directors	-	17,000,000	-	-	-	17,000,000			
Employee participants (other than Directors)	-	208,350,000	-	-	1,200,000	207,150,000	5.01	22.07.2024	Vesting date ⁽¹⁾ – 21 July 2034
Total	-	225,350,000	-	-	1,200,000	224,150,000			

Notes:

- The Company granted share options to eligible participants (all being employees of the Group) to subscribe for an aggregate of 225,350,000 Shares pursuant to the terms of the 2024 Share Option Scheme on 22 July 2024. Although the vesting period for the first batch of share options under such grant is less than 12 months, the overall grant has a mixed schedule where the share options may vest over a period from 1 April 2025 to 1 April 2030 and each is attached with performance-based vesting conditions. These circumstances are specifically permitted under the 2024 Share Option Scheme for a shorter vesting period. The Board also considers that this is appropriate as part of the competitive terms and conditions to reward exceptional performers with accelerated vesting and to motivate exceptional performers based on performance metrics. With respect to the grants to the Directors, the Remuneration Committee is of the view that, in addition to the above and taking into account (i) the demonstrated contributions of the grantees to the overall operations, development and growth of the Group; and (ii) a majority of the share options are subject to a longer vesting period, which will ensure that the long-term interests of the grantees and the Company are aligned and the grantees will be motivated to contribute to the Company's development, a shorter vesting period for the first batch of share options is appropriate.
- The closing price of the Shares immediately before the date of grant (22 July 2024) was HK\$4.87 per Share, and the fair value of the Shares at the date of grant was approximately RMB531,422,817. The expense of share options charged to profit or loss during the Year was approximately RMB137.07 million (for the corresponding period in 2023: N/A), mainly due to the grant of share options and lapse of certain share options during the Year. The relevant accounting policy is described in Note 44.19 "Share-based payments" to this report.
- During the Year, no share options were exercised or vested by eligible participants, therefore the weighted average closing price of relevant Shares immediately preceding the date of exercise or vesting of share options was not applicable.
- As at 1 January 2024 and 31 December 2024, the number of share options available for grant under the 2024 Share Option Scheme to subscribe for the relevant Shares was nil and 110,152,033, respectively, and the number of share options available for grant under the service provider sublimit to subscribe for the relevant Shares was nil and 66,860,406, respectively.
- All the eligible participants with options granted during the Year were the employees of the Group, who were not (i) participants with the Shares granted exceeding the 1% individual limit and (ii) related entity participants or service providers with the Shares granted in any 12-month period exceeding 0.1% of the Shares in issue of the Company.



Report of the Directors

- (6) The Company granted share options to eligible participants (all being employees of the Group) to subscribe for an aggregate of 225,350,000 Shares pursuant to the terms of the 2024 Share Option Scheme on 22 July 2024. The vesting dates of these share options are as follows, and the vesting period is from 22 July 2024 to the relevant vesting date in below table:

Batch	Percentage	Vesting dates
The first batch of share options	25%	1 April 2025 or 1 April 2026 (subject to the fulfillment of vesting conditions, the same below)
The second batch of share options	20%	1 April 2026 or 1 April 2027
The third batch of share options	20%	1 April 2027 or 1 April 2028
The fourth batch of share options	20%	1 April 2028 or 1 April 2029
The fifth batch of share options	15%	1 April 2029 or 1 April 2030

The share options granted as aforesaid will vest in the relevant grantees upon the satisfaction of the conditions relating to (a) the Company's performance targets and (b) individual's performance targets. With respect to the first batch of share options:

The Company's performance targets

The Group's service power, brand power and development speed (the year-on-year growth rate of the Company's revenue for the year ended 31 December 2024** as compared to the previous year) exceed the average year-on-year growth rate of the revenue for the same period of the top 20 listed peers which publish their audited annual results for 2023 no later than 31 March 2024[#] in terms of revenue for the year ended 31 December 2023 other than the Company (the "Comparable Companies") (the "2024[#] Target for Revenue Growth Rate"), and meanwhile, the profit of the Group's core business for the year ended 31 December 2024[#] maintains steady. The Board will evaluate the development quality of the Group and determine the vesting results before the vesting date.

In the event of failure to achieve the 2024[#] Target for Revenue Growth Rate, the evaluation may be extended for another year. In this event, the 2024[#] Target for Revenue Growth Rate shall be deemed to be achieved by the compound annual growth rate of the revenue of the Company for the year ending 31 December 2025⁺ exceeding the average compound annual growth rate of revenue of the Comparable Companies for the same period based on the revenue of the Company for the year ended 31 December 2023[^], and with all other vesting conditions being achieved, such batch of share options can be vested to the relevant Grantees.

[#] For the second to fifth batches of share options, it shall be 2025, 2026, 2027 and 2028, respectively.

^{*} The revenues of the Company and the Comparable Companies set out in the vesting conditions represent the revenues shown in the audited consolidated financial statements.

[^] For the second to fifth batches of share options, it shall be 2024, 2025, 2026 and 2027, respectively.

⁺ For the second to fifth batches of share options, it shall be 2026, 2027, 2028 and 2029, respectively.

Individual's performance targets

The relevant grantee having achieved the individual's annual performance targets set by the Company for the year ended 31 December 2024[#], for e.g.: (a) financial performance of the business under the grantees' responsibility (e.g., cash flow, revenue, profit, comprehensive collection rate); (b) operating performance of the business under the grantees' responsibility (e.g., product competitiveness, market penetration, operating efficiency and business health); and/or (c) mechanism construction, team growth, model innovation, learning and growth, etc. Specific targets are determined by the Company on an annual basis, with differentiated requirements tailored to different categories of grantees. For details, please refer to the Company's announcement dated 22 July 2024.

[#] For the second to fifth batches of share options, it shall be 2025, 2026, 2027 and 2028, respectively.



- (7) The total number of Shares which may be issued upon the exercise of the share options granted under the 2024 Share Option Scheme and 2020 Share Option Scheme divided by the weighted average number of Shares (excluding treasury Shares) in issue during the Year is 6.74%.

Save as disclosed above, no outstanding options had been exercised, cancelled or lapsed under 2024 share option schemes during the reporting period.

SHARE AWARD SCHEME

On 18 November 2024, the Share Award Scheme was approved and adopted by the Board of the Company, for a term of 10 years from the date of its adoption and will expire on 17 November 2034. A summary of the principal terms of the Share Award Scheme is set out as follows:

(i) Purpose

The Share Award Scheme was adopted by the Company with the following objectives: (i) to incentivize core talents who play an important role in the future operations and development of the Company; (ii) to reward selected participants for their contributions to the Company.

(ii) Eligible participants

The scope of the eligible participants includes:

- Directors and/or employees of the Group which holds certain key positions within the Group (i.e. selected employee participants);
- Other individuals who the Board believes provide services beneficial to the long-term development of the Group (i.e. service providers).

The participants will be excluded from the scheme if they meet any of the following conditions, among others:

- No longer employed by the Group or the designated company by the Company or holding a key management position within the Group or providing services to the Group;
- Committing serious misconduct(s) such as fraud, dishonesty, gross negligence, bribery, corruption, theft, disclosure of commercial and technical secrets, or non-compliance with internal guidelines;
- Bankruptcy or inability to repay debts; and
- Other circumstances determined by the performance management working group.

(iii) Total number of Shares which may be issued pursuant to the scheme and its percentage of the Shares in issue as at the date of this annual report

- The maximum number of Shares which may be issued pursuant to the Share Award Scheme must not exceed 109,000,000 Shares.
- As at the date of this annual report, the total number of Shares may be granted pursuant to the Share Award Scheme was 109,000,000 Shares (including Shares acquired but not yet granted), representing approximately 3.26% of issued share capital (excluding treasury Shares) of the Company as at the date of this report.



Report of the Directors

(iv) Maximum entitlement to awarded share of each eligible participant

The maximum number of awarded share may be granted to a selected participant pursuant to the Share Award Scheme must not exceed 33,430,000 Shares.

(v) Exercise period of options pursuant to the Share Award Scheme by the grantee

Not applicable

(vi) Vesting period of the awarded shares

The relevant selected participants shall complete the acceptance of awards prior to the vesting deadline indicated in the grant notice, failing which the award shall be forfeited in accordance with the terms of the Share Scheme Award.

(vii) Payment on acceptance of award

The Board may determine the amount payable on acceptance of the award (if any) and the period within which payments must be or may be made (or loans for such purposes must be repaid).

(viii) Basis for determining the purchase price of awarded shares (if any)

The grant price is determined by the Board and the performance management working group, taking into account factors such as the exercise price of options recently granted pursuant to the Company's Share Option Scheme, the price at which the Company has purchased Shares through a trust, and the operating costs of the management plan.

(ix) Remaining life of the scheme

Subject to any early termination as may be determined by the Board pursuant to the scheme rules, the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the adoption date. The provisions of the scheme will remain fully effective and applicable to awards granted but not yet vested during the scheme period. The trust duration should be no less than the scheme period, starting from the establishment of the trust plan.

From the date of adopting the Share Award Scheme to the date of this report, a wholly-owned subsidiary of the Company established a trust within China as the settlor pursuant to the Share Award Scheme, and pursuant to the trust deed with the trustee (an independent third-party trust company), the trustee has purchased an aggregate of 109,000,000 Shares through market transactions, using RMB through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect mechanisms. On 1 January 2024 and 31 December 2024, Shares that may be awarded pursuant to the Share Award Scheme were 0 Share and 109,000,000 Shares respectively.

During the year ended 31 December 2024, no Shares was granted, vested or forfeited under the Share Award Scheme.

As the source of the Shares that may be awarded does not include the issue of new Shares, the number of Shares that may be issued in respect of awards granted under the Share Award Scheme during the Year divided by the weighted average number of Shares (excluding treasury Shares) in issue during the Year is not applicable.

Save as disclosed above, no other share option scheme or share award scheme has been established by the Company.



EQUITY FUND-RAISING ACTIVITIES AND USES OF PROCEEDS

During the Year, the Company had not issued any equity securities (including the securities which can be converted into equity securities) or sold any treasury Shares for cash. The proceeds from equity fund-raising activities of the Company since listing have been fully utilized in the prior years. For details, please refer to the sections on “**EQUITY FUND-RAISING ACTIVITIES AND USES OF PROCEEDS**” in the Company’s previous annual reports. The Company did not conduct any sale of treasury Shares during the Year and in the previous financial years.

CORPORATE GOVERNANCE

The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group was subject to a number of laws and regulations, mainly including the Company Law of the PRC, the Civil Code of the PRC, the Property Management Regulations, the Price Law of the PRC, the Measures for the Management of Property Service Charge, the Regulations on Property Management Service Fee with Clear Price Tag, the Bid-Inviting and Bidding Law of the PRC, the Interim Measures for Bid-Inviting and Bidding Management of Preliminary Property Management, the Environment Protection Law of the PRC, the Production Safety Law of the PRC, the Fire Prevention Law of the PRC, the Regulations on the Administration of Security Services, the Special Equipment Safety Law of the People’s Republic of China, the Regulations on Safety Supervision of Special Equipment, Measures for the Management of Special Maintenance of Residential Buildings, Administrative Measures of the Indoor Fitment and Decoration, the Administrative Measures for Municipal Solid Waste, Administration of Urban Construction Garbage, Food Safety Law of the PRC, Advertising Law of the PRC, the Administrative Measures for Real Estate Brokerage, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Implementation Regulations for the Labour Contract Law of the PRC, the Social Security Law of the PRC and Administrative Regulation on Housing Provident Fund, etc.

During the year ended 31 December 2024, the Group’s business had complied with the relevant laws and regulations in all material respects and there were no material violations or contraventions of any laws and regulations applicable to the Group which may have a material adverse impact on the Group’s business or financial position as a whole.

SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there is no restriction against such rights under the laws of Cayman Islands.

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

In accordance with the rules of the new share award scheme and the terms and conditions of the trust deed adopted by the Company on 18 November 2024, a designated subsidiary of the Company entrusted a trustee in 2024 to purchase a total of 106,880,000 shares of the Company on the open market through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect at a total consideration (including transaction costs) of approximately RMB545,443,000.

Save as disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including treasury shares). As at 31 December 2024, the Company did not hold any treasury share.



Report of the Directors

AUDITOR

PwC has resigned as the auditor of the Company with effect from 21 October 2024. With the recommendation from the audit committee, the Board has resolved to appoint Deloitte as the new auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 21 October 2024 and to hold office until the conclusion of the next annual general meeting of the Company. The Board will propose a resolution on the re-appointment of Deloitte as the Company's auditor for the ensuing year at the forthcoming annual general meeting of the Company.

Save as disclosed above, there were no changes in the Company's auditor in the three years prior to the reporting date.

TAX RELIEF AND EXEMPTION AND CONSULTING PROFESSIONAL TAX ADVISERS

The Company is not aware of any tax relief or exemption available to any Shareholders as a result of holding the securities of the Company. Shareholders are recommended to consult professional advisers if they are in any doubt as to the tax implications of purchasing, holding, disposing of, dealing in or the exercise of any rights in relation to the Shares of the Company.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the eligibility of the Shareholders to attend, speak and vote at the 2025 AGM of the Company, and the Eligible Shareholders' entitlement to the proposed final dividend and special dividend, the register of members of the Company will be closed as appropriate as set out below:

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

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

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

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

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

For and on behalf of the Board

Xu Binhuai

President and Executive Director

Foshan, China, 27 March 2025



INDEPENDENT AUDITOR'S REPORT



To the Shareholders of Country Garden Services Holdings Company Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Country Garden Services Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 107 to 209, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, 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 and other explanatory 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 Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“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.

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.



Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of expected credit losses ("ECL") on trade receivables	
<p>We identified the expected credit losses of trade receivables as a key audit matter due to the magnitude of the balance of trade receivables complexity and significant judgements and estimates the Group makes to measure the ECL, including those related to the probability of default, loss given default and forward-looking information.</p>	<p>Our procedures in relation to the impairment assessment of trade receivables included:</p>
<p>As disclosed in notes 4, 5 and 27 to the consolidated financial statements, the Group adopts ECL model to assess the impairment of trade receivables.</p>	<ul style="list-style-type: none">• Understanding the relevant control over the management's impairment assessment process of trade receivables;
<p>For credit-impaired trade receivables, the Group evaluated the distribution of expected cash flows under multiple scenarios based on experience of historical credit loss, business model, current situations and forecasts of future conditions of contract counterparties under different scenarios, and made corresponding loss allowance according to expected credit loss rate and the related probability weight under different scenarios. ECL were recognised on an individual basis and loss allowances were made on an individual basis.</p>	<ul style="list-style-type: none">• Assessed the appropriateness of the ECL provisioning model and methodology adopted by management;• Evaluated the rationality of management's assumptions of expected cash flow distribution, expected credit losses rate and related probability weight under different scenarios for individual assessment;
<p>For non-credit impaired trade receivables, the Group assessed the ECL of these trade receivables collectively by grouping the debtors based on their shared credit risk characteristics and aging periods, and based on the assumptions about risk of default and expected credit loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment of ECL calculation, based on the Group's past history, aging profile of the trade receivables, existing market conditions as well as forward looking estimates at the end of each reporting period.</p>	<ul style="list-style-type: none">• Challenged the reasonableness of the ECL rates adopted by management;• Tested, on a sample basis, the accuracy of aging report of trade receivables prepared by the Group;• Checked the mathematical accuracy of the calculation of the provision for loss allowance;
<p>As at 31 December 2024, the gross balance of trade receivables amounted to RMB21,144,132,000 which represented approximately 29.7% of the total assets of the Group. The Group assessed the expected credit losses of the trade receivables and RMB3,454,760,000 of loss allowance was made against the trade receivables as at 31 December 2024.</p>	<ul style="list-style-type: none">• Evaluating the disclosures regarding the impairment assessment of trade receivables measured at amortised cost in notes 4, 5 and 27 to the consolidated financial statements.



Key audit matter	How our audit addressed the key audit matter
<p>Goodwill impairment assessment</p> <p>We identified the goodwill impairment assessment as a key audit matter due to the significance of the goodwill balance and the significant judgments and estimates made by the Group in the goodwill impairment assessment process.</p> <p>As disclosed in notes 5 and 19 to the consolidated financial statements, as at 31 December 2024, the Group had goodwill of RMB15,422,806,000 which accounted for approximately 21.6% of the total assets of the Group. The Group has assessed the goodwill impairment and impairment losses of goodwill amounting to RMB990,000,000 was recognised for the year ended 31 December 2024.</p> <p>The Group assessed the impairment of goodwill, with the assistance from independent qualified valuer, by determining the recoverable amounts of the cash generating-units ("CGU") and group of CGUs based on higher of fair value less costs of disposal and value in use.</p> <p>Significant judgments and estimates were involved in the goodwill impairment assessment. These significant judgments and estimates include the adoption of appropriate model and methodology to perform goodwill impairment assessment.</p> <p>The recoverable amount of the goodwill is determined based on fair value less costs of disposal or value-in-use calculations (whichever is the higher). The value-in-use calculation requires the Group to forecast the future cash flows expected to arise from the CGU based on the financial budgets approved by the Group. The use of key assumptions in the value-in-use calculation primarily includes revenue growth rates, gross profit margins, earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins, terminal growth rate and discount rates. The use of key assumptions in the fair value calculation primarily includes price-to-earnings ratio and discount for lack of marketability.</p>	<p>Our procedures in relation to the goodwill impairment assessment included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's assessment process and relevant controls of goodwill impairment and assessed the risk of material misstatement by considering the degree of estimation uncertainty, complexity, subjectivity and other inherent risk factors; • Assessed the appropriateness of the Group's identification of the CGU and allocation of goodwill to meet HKFRSs requirements and our understanding of the Group's business; • Assessed the competency, capabilities and objectivity of the external valuer engaged by the Group; • Obtained management's assessment on goodwill impairment and assess the appropriateness of the model and methodology adopted by management; • Challenged and assessed the reasonableness of the key assumptions used, including revenue growth rates, gross profit margins and EBITDA margins, terminal growth rate and discount in the goodwill impairment assessment, with the assistance of our internal valuation specialist; • Performed a retrospective review by comparing the prior year's cash flow forecasts with the current year's results to assess the reliability and historical accuracy of management's forecasting process; • Evaluated the reasonableness of the sensitivity analysis performed by management on the key assumptions to understand the impact of reasonable changes in assumptions on the recoverable amount; • Checked the mathematical accuracy of the calculations of the goodwill impairment assessment, if any; • Evaluating the disclosures regarding the goodwill impairment assessment in note 19 to the consolidated financial statements.



Independent Auditor's Report

Other Matter

The consolidated financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2024.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the 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 Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 HKSAAs 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.



Independent Auditor's Report

As part of an audit in accordance with HKSAAs, 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.
- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, 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 those charged with governance 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 those charged with governance, 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 the independent auditor's report is Lam, Lawrence.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
27 March 2025



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
	NOTES	2024 RMB'000	2023 RMB'000
Revenue	6	43,992,889	42,611,511
Cost of providing services		(33,482,191)	(32,602,076)
Cost of sales of goods		(2,110,091)	(1,277,488)
Gross profit		8,400,607	8,731,947
Selling and marketing expenses		(373,196)	(342,140)
General and administrative expenses		(4,442,718)	(3,866,360)
Impairment of goodwill and other intangible assets	19	(990,000)	(1,475,999)
Net impairment losses on financial and contract assets	9	(663,717)	(2,593,799)
Other income	7	254,413	477,363
Other gains — net	8	484,722	161,378
Operating profit		2,670,111	1,092,390
Finance income	11	217,255	271,998
Finance costs	11	(169,100)	(233,817)
Finance income — net	11	48,155	38,181
Share of results of investments accounted for using the equity method		(11,560)	(50,921)
Profit before income tax		2,706,706	1,079,650
Income tax expense	12	(832,198)	(562,939)
Profit for the year	13	1,874,508	516,711
Profit attributable to:			
— Owners of the Company		1,808,357	292,335
— Non-controlling interests		66,151	224,376
		1,874,508	516,711
Other comprehensive income			
Item that may be reclassified to profit or loss:			
— Currency translation differences	30	(8,447)	(15,970)
Item that will not be reclassified to profit or loss:			
— Changes in fair value of financial assets at fair value through other comprehensive income	30	113,397	173,446
Total other comprehensive income for the year, net of income tax		104,950	157,476
Total comprehensive income for the year		1,979,458	674,187
Total comprehensive income attributable to:			
— Owners of the Company		1,913,307	449,811
— Non-controlling interests		66,151	224,376
		1,979,458	674,187
Earnings per share for profit attributable to owners of the Company (expressed in RMB cents per share)			
— Basic	14	54.16	8.69
— Diluted	14	54.16	8.69

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		At 31 December 2024	2023
	NOTES	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	1,702,482	1,656,964
Other right-of-use assets	17	420,609	425,737
Investment properties	18	1,697,824	1,305,002
Intangible assets	19	22,162,313	23,927,309
Investments accounted for using the equity method	21	533,497	600,367
Financial assets at fair value through other comprehensive income	23	556,740	4,317,978
Contract assets	24	73,320	71,405
Trade and other receivables	27	282,769	162,435
Deferred income tax assets	34	1,130,244	907,500
Time deposits		466,281	—
		29,026,079	33,374,697
Current assets			
Inventories	26	613,242	516,265
Other current assets		344,020	—
Trade and other receivables	27	22,680,328	21,606,111
Financial assets at fair value through profit or loss	25	580,033	807,724
Contingent consideration receivables	25	298,508	—
Restricted bank deposits	28	560,016	302,090
Time deposits		1,815,080	—
Cash and cash equivalents	28	15,337,225	12,637,187
		42,228,452	35,869,377
Total assets		71,254,531	69,244,074



Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

		At 31 December	
	NOTES	2024	2023
		RMB'000	RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium	29	26,521,871	27,066,858
Other reserves	30	597,476	924,309
Retained earnings	31	9,497,683	8,164,706
		36,617,030	36,155,873
Non-controlling interests		2,461,692	2,626,204
Total equity		39,078,722	38,782,077
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	35	518,125	840,751
Lease liabilities	17	1,726,309	1,353,427
Deferred income tax liabilities	34	1,598,912	1,884,304
		3,843,346	4,078,482
Current liabilities			
Contract liabilities	6	8,245,315	7,591,490
Trade and other payables	33	18,823,788	17,436,240
Current income tax liabilities		707,579	462,736
Bank and other borrowings	35	352,131	728,797
Lease liabilities	17	203,650	164,252
		28,332,463	26,383,515
Total liabilities		32,175,809	30,461,997
Total equity and liabilities		71,254,531	69,244,074

The consolidated financial statements on pages 107 to 209 were approved by the board of directors on 27 March 2025 and were signed on its behalf.

Xu Binhuai

Director

Xiao Hua

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Attributable to owners of the Company				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital and share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000		
Balance at 1 January 2024		27,066,858	924,309	8,164,706	36,155,873	2,626,204	38,782,077
Comprehensive income							
Profit for the year		—	—	1,808,357	1,808,357	66,151	1,874,508
Other comprehensive income		—	104,950	—	104,950	—	104,950
Total comprehensive income for the year ended 31 December 2024		—	104,950	1,808,357	1,913,307	66,151	1,979,458
Buy-back of shares	29(a)	(545,443)	—	—	(545,443)	—	(545,443)
Consideration issue	29(b)	456	—	—	456	—	456
Employee share schemes							
— value of employee services	10	—	123,265	—	123,265	—	123,265
Capital injection from non-controlling interests		—	—	—	—	40,628	40,628
Transactions with non-controlling interests*		—	(45,574)	—	(45,574)	(92,500)	(138,074)
Acquisition of subsidiaries	38	—	—	—	—	16,546	16,546
Appropriation of statutory reserves		—	69,290	(69,290)	—	—	—
Disposals of subsidiaries	39	—	—	—	—	(27,620)	(27,620)
Disposals of financial assets at fair value through other comprehensive income	30	—	(578,764)	578,764	—	—	—
Dividends		—	—	(984,854)	(984,854)	(167,717)	(1,152,571)
		(544,987)	(431,783)	(475,380)	(1,452,150)	(230,663)	(1,682,813)
Balance at 31 December 2024		26,521,871	597,476	9,497,683	36,617,030	2,461,692	39,078,722
Balance at 1 January 2023		27,329,914	812,916	9,313,601	37,456,431	2,452,569	39,909,000
Comprehensive income							
Profit for the year		—	—	292,335	292,335	224,376	516,711
Other comprehensive income		—	157,476	—	157,476	—	157,476
Total comprehensive income for the year ended 31 December 2023		—	157,476	292,335	449,811	224,376	674,187
Buy-back of shares	29(a)	(266,603)	—	—	(266,603)	—	(266,603)
Consideration issue	29(b)	3,547	—	—	3,547	—	3,547
Employee share schemes							
— value of employee services	10	—	(202,649)	—	(202,649)	—	(202,649)
Capital injection from non-controlling interests		—	—	—	—	11,845	11,845
Transactions with non-controlling interests		—	(29,523)	—	(29,523)	71,679	42,156
Appropriation of statutory reserves		—	131,534	(131,534)	—	—	—
Disposals of subsidiaries	39	—	—	—	—	(40,368)	(40,368)
Disposals of financial assets at fair value through other comprehensive income	30	—	54,555	(54,555)	—	—	—
Dividends		—	—	(1,255,141)	(1,255,141)	(93,897)	(1,349,038)
		(263,056)	(46,083)	(1,441,230)	(1,750,369)	(50,741)	(1,801,110)
Balance at 31 December 2023		27,066,858	924,309	8,164,706	36,155,873	2,626,204	38,782,077

* This mainly consists of the acquisition of the additional 7.5% equity interest of the subsidiary, Fujian Dongfei Environment Group Co., Ltd. (福建東飛環境集團有限公司) ("Fujian Dongfei"), from the non-controlling interest, which was settled by the contingent consideration receivable.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
	NOTES		
Cash flows from operating activities			
Cash generated from operations	36(a)	4,919,355	6,242,833
Income tax paid		(1,046,256)	(1,628,042)
Net cash generated from operating activities		3,873,099	4,614,791
Cash flows from investing activities			
Payments for acquisition of subsidiaries, net of cash acquired	38	19,342	—
Settlement of outstanding considerations payable for business combinations in prior years		—	(329,585)
Proceeds from contingent consideration for business combinations in prior years		465	—
Net cash inflow/(outflow) from disposals of subsidiaries	39	48,626	(28,750)
Dividends received from investment accounted for using the equity method	21	8,375	8,227
Dividends received from financial assets at fair value through other comprehensive income	7	76,017	166,944
Payments for investments accounted for using the equity method		(10,411)	(14,700)
Payments for property, plant and equipment	16	(610,291)	(690,113)
Payments for intangible assets		(136,540)	(250,577)
Payments for financial assets at fair value through profit or loss	4	(3,052,900)	(2,526,000)
Payments for time deposits		(2,281,361)	—
Proceeds from disposals of property, plant and equipment, and investment properties	36(c)	244,100	101,501
Proceeds from disposals of intangible assets	19	5,226	546
Proceeds from disposals of investments accounted for using the equity method		39,932	—
Proceeds from disposals of financial assets at fair value through profit or loss	4	3,262,297	2,584,572
Proceeds from disposals of financial assets at fair value through other comprehensive income		3,856,644	51,834
Repayment of loans from third parties		—	300,000
Interest received	11	217,255	271,998
Net cash generated from/(used in) investing activities		1,686,776	(354,103)
Cash flows from financing activities			
Proceeds from bank and other borrowings	36(d)	337,569	826,470
Purchase shares for the share award scheme/buy-back of shares	29(a)	(545,443)	(266,603)
Capital injection from non-controlling interests		40,628	11,845
Transactions with non-controlling interests		(12,211)	(26,498)
Principal elements of lease payments		(210,589)	(244,364)
Repayments of bank and other borrowings	36(d)	(1,088,843)	(1,510,487)
Interest paid on leases		(86,170)	(132,277)
Interest paid on bank and other borrowings	11, 36(d)	(75,111)	(92,056)
Dividends paid to owners of the Company	15	(984,854)	(1,255,141)
Dividends paid to non-controlling interests		(197,432)	(105,201)
Net cash used in financing activities		(2,822,456)	(2,794,312)
Net increase in cash and cash equivalents		2,737,419	1,466,376
Cash and cash equivalents at beginning of the year		12,637,187	11,215,770
Effects of exchange rate changes on cash and cash equivalents		(37,381)	(44,959)
Cash and cash equivalents at end of the year		15,337,225	12,637,187

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

Country Garden Services Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 24 January 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in provision of property management services, community value-added services, value-added services to non-property owners, heat supply services, city services and commercial operational services in the People’s Republic of China (the “PRC”).

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

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

2. Application of new and amendments to Hong Kong financial reporting standards (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

2. Application of new and amendments to Hong Kong financial reporting standards (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

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

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

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

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

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

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

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

HKFRS 18 presentation and disclosure in financial statements

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

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

3. Basis of preparation of consolidated financial statements

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

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



4. Financial risk and capital risk management

4.1 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: mainly credit risk, liquidity risk and market risk (including foreign exchange risk and cash flow and fair value interest rate 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.

4.1.1 Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, restricted bank deposits, time deposits and bank balances. The carrying amounts of trade and other receivables, contract assets, restricted bank deposits, time deposits and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

The Group's internal credit risk grading assessment under the ECL model comprises the following categories:

Internal credit rating	Description	Financial assets except trade receivables and contract assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Watch list	Debtor frequently repays after due dates but casually settle in full	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Financial assets at Fair Value Through Profit or Loss ("FVPL")

The Group invests in wealth management products and funds issued by banks. The credit risk of these financial assets are regularly reviews and monitors by the Group. Details of the terms of these investments are disclosed in note 25. Summary of the fair value and principal amount of these financial assets are set out below.

	2024		2023	
	Fair value RMB'000	Principal RMB'000	Fair value RMB'000	Principal RMB'000
Wealth management products	580,033	530,000	602,323	570,000
Investment fund	—	—	205,401	282,184
	580,033	530,000	807,724	852,184
Contingent consideration receivables	298,508	N/A	—	N/A

Restricted bank deposits, time deposits and bank balances

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

Trade receivables and contract assets arising from contracts with customers

For trade receivables and contract assets, apart from credit-impaired receivables (including those property developers faced with liquidity pressures), 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.

In addition, the Group performs impairment assessment under ECL model on credit-impaired trade receivables individually. Except for the credit-impaired trade debtors, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped based on shared credit risk characteristics by reference to the aging of outstanding balances.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group applies the simplified approach to provide for ECL on non-credit impaired trade receivables and contract assets prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables and contract assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management (Continued)

4.1 Financial risk management objectives and policies (Continued)

4.1.1 Credit risk (Continued)

Trade receivables and contract assets arising from contracts with customers (Continued)

The tables below detail the credit risk exposures of the Group's trade receivables and contract assets, which are subject to ECL assessment:

				Gross carrying amount	
Notes				2024	2023
				RMB'000	RMB'000
Trade receivables	27	(Note 1)	Lifetime ECL — not credit-impaired (collective assessment)	17,462,704	15,104,331
		(Note 2)	Lifetime ECL — credit-impaired	3,681,428	4,406,854
				21,144,132	19,511,185
Contact assets	24	(Note 3)	Lifetime ECL— not credit-impaired (collective assessment)	73,320	71,405

Notes:

- (1) The expected loss rates for the non-credit impaired trade receivables are based on the payment profiles of sales over a period of 5 years before 31 December 2024 (2023: 5 years) and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified China consumer price Index and unemployment rates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance provision for non-credit impaired trade receivables was determined as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Trade receivables							
At 31 December 2024							
Expected loss rate	0.9%	4.4%	17.7%	37.0%	51.9%	100.0%	
Gross carrying amount (RMB'000)	11,334,376	3,526,093	1,721,666	559,443	219,322	101,804	17,462,704
Loss allowance provision (RMB'000)	100,713	153,459	304,728	206,853	113,721	101,804	981,278
Trade receivables							
At 31 December 2023							
Expected loss rate	0.5%	3.2%	16.2%	36.0%	50.6%	100%	
Gross carrying amount (RMB'000)	10,946,894	3,263,342	559,911	228,725	64,834	40,625	15,104,331
Loss allowance provision (RMB'000)	57,805	102,993	90,703	82,445	32,811	40,625	407,382



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Trade receivables and contract assets arising from contracts with customers (Continued)

Notes: *(Continued)*

- (2) For credit impaired trade receivables, at 31 December 2024, management of the Group evaluated the distribution of expected cash flows under multiple scenarios based on historical credit loss experience, business model, current situations and forecasts of future conditions of contract counterparties under different scenarios, and made corresponding allowances according to expected credit losses rate and the related probability weight under different scenarios. For credit impaired trade receivables, allowances amounting to RMB2,473,482,000 (2023: RMB2,725,301,000), of which RMB1,886,053,000 (2023: RMB2,198,613,000) were made against the gross amounts of trade receivables from related parties and RMB587,429,000 (2023: RMB526,688,000) were made against third-party customers, respectively.
- (3) As at 31 December 2024, the Group has assessed that the ECL for contract assets was immaterial and therefore, no ECL for contract assets was recognised as at 31 December 2024 (31 December 2023: nil).

The loss allowance provision for trade receivables reconciles to the opening loss allowance for that provision as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	3,132,683	597,998
Provision for loss allowance recognised in profit or loss (net of reversal)	525,783	2,707,741
Receivables written off as uncollectable	(203,706)	(173,056)
At 31 December	3,454,760	3,132,683

As at 31 December 2024, the gross carrying amount of trade receivables was RMB21,144,132,000 (2023: RMB19,511,185,000) and thus the maximum exposure to loss was RMB17,689,372,000 (2023: RMB16,378,502,000).

The Group writes off a trade receivables or contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Other receivables

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The credit risks of other receivables are managed through an internal process. The credit quality of each counterparty is investigated before credit is granted. The Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. The Group reviews the recoverable amount of these receivables at the end of each reporting period. Details of the quantitative disclosures of ECL on other receivables are set out below in this note.

Other receivables (excluding prepayments) mainly included payments on behalf of property owners, deposits, loans to third parties pledged by equities, receivables from finance leases and others.

The following table presents the credit risk exposure of other receivables (excluding prepayments). Without considering guarantee or any other credit enhancement measures, the maximum credit risk exposure of other receivables (excluding prepayments) is presented as the gross carrying amount.

	At 31 December 2024			At 31 December 2023		
	Gross carrying amount RMB'000	Expected loss rate	Loss allowance provision RMB'000	Gross carrying amount RMB'000	Expected loss rate	Loss allowance provision RMB'000
Stage 1 (See note 44.9)						
Deposits	505,457	1.3%	6,584	486,340	0.8%	3,918
Payments on behalf of property owner	962,054	0.8%	7,748	913,437	0.6%	5,039
Loans to third parties pledged by equities	85,849	3.8%	3,297	84,011	0.3%	280
Receivables from finance leases	339,686	—	—	228,751	—	—
Others	807,730	1.9%	15,602	859,323	0.6%	5,391
	2,700,776		33,231	2,571,862		14,628
Stage 3 (See note 44.9)						
Loans to third parties pledged by equities	1,100,000	25.9%	284,801	1,100,000	18.7%	205,507
Others	180,457	—	—	353,437	—	—
	1,280,457		284,801	1,453,437		205,507
	3,981,233		318,032	4,025,299		220,135



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.1 Credit risk *(Continued)*

Other receivables (Continued)

The loss allowance provision for other receivables (excluding prepayments) reconciles to the opening loss allowance for that provision as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	220,135	334,077
Provision for loss allowance recognised/(reversed) in profit or loss	97,897	(113,942)
At 31 December	318,032	220,135

As at 31 December 2024, the gross carrying amount of other receivables (excluding prepayments) was RMB3,981,233,000 (2023: RMB4,025,299,000) and thus the maximum exposure to loss was RMB3,663,201,000 (2023: RMB3,805,164,000).

Financial guarantee contracts

At the end of the reporting period, the management has performed impairment assessment on the financial guarantee contract issued by a subsidiary of the Group prior to the business acquisition of this subsidiary, and concluded that the financial guarantee was defaulted. Accordingly, the loss allowance for this financial guarantee contract is measured at an amount equal to lifetime ECL. Details of the financial guarantee contracts are set out in this note and note 43.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.2 Liquidity risk

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.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest, if applicable.

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cashflow RMB'000	Carrying amount RMB'000
At 31 December 2024							
Trade and other payables (excluding payroll payables, contingent considerations for business combinations and other taxes payables)	N/A	14,655,457	—	—	—	14,655,457	14,655,457
Lease liabilities	4.5	323,345	283,105	688,698	1,315,751	2,610,899	1,929,959
Bank and other borrowings	4.3	371,260	57,305	102,546	542,485	1,073,596	870,256
Total		15,350,062	340,410	791,244	1,858,236	18,339,952	17,455,672

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cashflow RMB'000	Carrying amount RMB'000
At 31 December 2023							
Trade and other payables (excluding payroll payables, contingent considerations for business combinations and other taxes payables)	N/A	13,246,030	—	—	—	13,246,030	13,246,030
Lease liabilities	4.5	237,538	206,724	549,688	1,071,233	2,065,183	1,517,679
Bank and other borrowings	4.6	786,996	92,996	340,798	467,574	1,688,364	1,569,548
Total		14,270,564	299,720	890,486	1,538,807	16,999,577	16,333,257



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.2 Liquidity risk *(Continued)*

Regarding to the financial guarantee contracts, the maximum amounts that the Group could be required to settle under the arrangement for the full guaranteed amount are RMB1,104,676,000 and RMB934,500,000 for the years ended 31 December 2024 and 2023, respectively, if that amount is claimed by the counterparty to the guarantee. Based on the ECL assessment of the Group, at 31 December 2024, the loss allowance for the financial guarantee contract issued by the Group is measured at an amount equal to the lifetime ECL of RMB46,635,000 (2023: RMB6,598,000). Details of the financial guarantee contracts are set out in this note and note 43.

4.1.3 Foreign exchange risk

The Group's businesses are principally conducted in RMB. The majority of its assets is denominated in RMB. The majority of its non-RMB assets are bank deposits denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD"). The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets which are denominated in non-RMB and net investment in foreign operations.

The aggregated carrying amount of the foreign currency denominated monetary assets of the Group at the end of the reporting period are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Assets		
HKD	172,271	195,269
USD	4,047,074	24,083
Other currencies	126,018	104,784
	4,345,363	324,136

Sensitivity analysis

The following table shows the sensitivity analysis of a 5% change in RMB against the HKD and USD, respectively. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. Should RMB strengthened/weakened by 5% against the HKD and USD, the effects on the post-tax profit or loss for the year would be as follows:

	Change of profit or loss (decrease)/increase 2024 RMB'000	2023 RMB'000
RMB against HKD:		
Strengthened by 5%	(6,460)	(7,323)
Weakened by 5%	6,460	7,323
RMB against USD:		
Strengthened by 5%	(151,765)	(903)
Weakened by 5%	151,765	903

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.1 Financial risk management objectives and policies *(Continued)*

4.1.4 Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings (note 35) and lease liabilities (note 17). Borrowings carried at floating rates expose the Group to cash flow interest-rate risk whereas those borrowings and lease liabilities carried at fixed rates expose the Group to fair value interest-rate risk.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

The exposure of the Group's borrowings (note 35) and lease liabilities (note 17) to interest rate changes and the contractual re-pricing dates of the borrowings and lease liabilities at the end of the reporting period are as follows:

	2024		2023	
	RMB'000	% of total borrowings	RMB'000	% of total borrowings
Variable rate borrowings	361,814	42%	368,352	23%
Fixed rate borrowings	508,442	58%	1,201,196	77%
	870,256	100%	1,569,548	100%
Lease liabilities	1,929,959		1,517,679	

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

As at 31 December 2024, borrowings of the Group which were bearing at floating rates amounted to approximately RMB361,814,000 (2023: RMB368,352,000). As at 31 December 2024, if the interest rates had been 50 basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2024 would have been approximately RMB1,357,000 (2023: RMB1,381,000) lower/higher.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.2 Capital risk 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 shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest-bearing debt less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

As at 31 December 2024 and 2023, the Group has a net cash position.

4.3 Fair value estimation

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group assesses their fair value or engages third party qualified valuers to perform the valuation.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. 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).



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4. Financial risk and capital risk management *(Continued)*

4.3 Fair value estimation *(Continued)*

- (i) **Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis** *(Continued)*

Fair value hierarchy

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2024				
Financial assets				
Financial assets at FVPL (include contingent consideration receivable)	—	—	878,541	878,541
Financial assets at FVOCI	14,053	—	542,687	556,740
Total financial assets	14,053	—	1,421,228	1,435,281
Financial liabilities				
Financial liabilities at FVPL (note 33)	—	—	118,235	118,235

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2023				
Financial assets				
Financial assets at FVPL	—	—	807,724	807,724
Financial assets at FVOCI	15,573	—	4,302,405	4,317,978
Total financial assets	15,573	—	5,110,129	5,125,702
Financial liabilities				
Financial liabilities at FVPL (note 33)	—	—	214,683	214,683



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4. Financial risk and capital risk management *(Continued)*

4.3 Fair value estimation *(Continued)*

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about valuation techniques and inputs (including the significant unobservable inputs used in level 3) used in fair value measurements of financial assets at FVOCI and financial assets at FVPL:

Financial assets	Fair value at 31/12/2024 RMB'000	31/12/2023 RMB'000	Valuation technique(s) and key inputs (s)	Relationship of unobservable inputs to fair value
Listed equity securities	14,053	15,573	Quoted price in an active market	N/A
Unlisted equity securities	542,687	4,302,405	Price-to-earning ratio	The higher the price-to-earnings ratio, the higher the fair value
			Price-to-sales ratio	The higher the price-to-sales ratio, the higher the fair value
Wealth management products	580,033	602,323	Quoted value from financial institutions based on expected return with reference to underlying investment	The higher the expected return, the higher the fair value
Investment fund	—	205,401	Quoted value from financial institutions based on expected return with reference to underlying investment	N/A
Contingent consideration receivables	298,508	—	The fair value of contingent consideration is determined by reference to the considerations as stipulated in the equity transfer agreements and the expected financial performance of the subsidiaries	The better the financial performance of the subsidiaries, the lower the fair value
Contingent consideration payables	(118,235)	(214,683)		The better the financial performance of the subsidiaries, the higher the fair value

The financial assets/liabilities subsequently measured at fair value on Level 3 fair value measurement represent contingent consideration receivables/payables relating to the various business combination in prior years, respectively. For the year ended 31 December 2024, net gain of RMB531,876,000 (2023: nil) relating to the contingent consideration receivables/payables has been recognised in profit or loss.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Financial risk and capital risk management *(Continued)*

4.3 Fair value estimation *(Continued)*

(ii) **Reconciliation of Level 3 fair value measurements**

The following table presents the changes in level 3 instruments for the year ended 31 December 2024:

	Financial assets at FVPL (include contingent consideration receivables) (note 25) RMB'000	Financial assets at FVOCI (note 23) RMB'000	Total RMB'000
Balance at 1 January 2023	862,822	4,122,385	4,985,207
Additions	2,526,000	—	2,526,000
Disposals	(2,584,572)	(32,026)	(2,616,598)
Fair value changes	3,474	212,046	215,520
Balance at 31 December 2023	807,724	4,302,405	5,110,129
Additions	3,052,900	—	3,052,900
Disposals	(3,262,297)	(3,856,644)	(7,118,941)
Fair value changes	280,214	96,926	377,140
Balance at 31 December 2024	878,541	542,687	1,421,228

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

(iii) **Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)**

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.



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5. Key sources of estimation uncertainty

In the application of the Group's accounting policies, the management of the Company are required to make judgements, 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 on-going 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.

Key sources of estimation uncertainty

The following are 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.

(a) *Expected credit losses on receivables*

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Specifically,

- for credit-impaired trade receivables, the Group evaluated the distribution of expected cash flows under multiple scenarios based on experience of historical credit loss, business model, current situations and forecasts of future conditions of contract counterparties under different scenarios, and made corresponding loss allowance according to expected credit loss rate and the related probability weight under different scenarios. ECL were recognised on an individual basis and loss allowances were made on an individual basis.
- for non-credit impaired trade receivables, the Group assessed the ECL of these trade receivables collectively by grouping the debtors' based on their shared credit risk characteristics and aging periods, and based on the assumptions about risk of default and expected credit loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment of ECL calculation, based on the Group's past history, aging profile of the trade receivables, existing market conditions as well as forward looking estimates at the end of each reporting period.

As at 31 December 2024, the aggregate carrying amount of trade receivables was RMB17,689,372,000 (2023: RMB16,378,502,000), after taking into account accumulated impairment losses of RMB3,454,760,000 (2023: RMB3,132,683,000).

(b) *Goodwill impairment assessment*

For the purposes of goodwill impairment assessment, management assessed the impairment of goodwill by determining the recoverable amounts of the CGU based on higher of net amount of fair value less costs of disposal ("FVLCD") and value in use. The goodwill impairment assessment calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Significant judgments and estimates were involved in the goodwill impairment assessment. These significant judgments and estimates include the adoption of appropriate valuation model and methodology and the use of key assumptions in the valuation, which primarily include revenue growth rates, gross profit margins, EBITDA margins, terminal growth rate and discount rates. The use of key assumptions in the fair value calculation primarily includes price-to-earnings ratio, discount for lack of marketability. See note 19 for more details.



6. Revenue and segment information

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

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

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

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

The CODM assesses the performance of the operating segments based on a measure of operating profit, adjusted by excluding realised and unrealised gains from financial assets at FVPL, and including share of results of investments accounted for using the equity method.

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

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



Notes to the Consolidated Financial Statements

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6. Revenue and segment information *(Continued)*

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

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

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

Sales between segments are carried out on terms agreed upon by the respective segments' management.

Nearly 100% of the Group's revenue is attributable to the markets in Mainland China and nearly 100% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.

During the year ended 31 December 2024, the five largest customers of the Group accounted for approximately 8.2% (2023: 10.8%) of the total revenue while the largest customer of the Group accounted for approximately 6.6% (2023: 6.8%) of the total revenue.

As at 31 December 2024, the five largest customers mentioned above of the Group accounted for approximately 17.2% (2023: 18.2%) of the total trade receivables while the largest customer mentioned above of the Group accounted for approximately 2.6% (2023: 14.1%) of the total trade receivables.

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6. Revenue and segment information *(Continued)*

(a) Contract liabilities

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

	At 31 December 2024 RMB'000	2023 RMB'000
Contract liabilities		
Property management services	6,691,330	6,119,206
Community value-added services	435,230	440,569
Value-added services to non-property owners	110,108	65,084
Three Supplies and Property Management		
— Property management and other related services	226,141	170,376
— Heat supply services	636,948	647,074
City services	14,089	19,697
Commercial operational services	131,469	129,484
	8,245,315	7,591,490

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Such liabilities increased as a result of the growth of the Group's business during the year.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to brought-forward contract liabilities.

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Property management services	5,794,484	4,344,228
Community value-added services	440,569	506,306
Value-added services to non-property owners	65,084	144,474
Three Supplies and Property Management Services		
— Property management and other related services	145,272	166,042
— Heat supply services	647,074	492,892
City services	19,697	10,242
Commercial operational services	129,484	112,842
	7,241,664	5,777,026



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. Revenue and segment information (Continued)

(a) Contract liabilities (Continued)

(iii) Unsatisfied performance obligations

For property management services, value-added services to non-property owners, heat supply services, city services and commercial operational 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 monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts. The term of the contracts for value-added services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community value-added services, they are rendered in short period of time and there is immaterial unsatisfied performance obligation at the end of respective periods.

(iv) Assets recognised from incremental costs to obtain a contract

During the year ended 31 December 2024, there were no incremental costs to obtain a contract (2023: nil).

(b) Segment information

The segment information provided to the CODM for the year ended 31 December 2024 is as follows:

	Year ended 31 December 2024				
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management businesses RMB'000	City services RMB'000	Commercial operational services RMB'000	Total RMB'000
Revenue from contracts with customers	31,050,369	8,156,680	4,262,352	491,482	43,960,883
Recognised over time	29,833,600	7,156,915	4,149,088	483,342	41,622,945
Recognised at a point time	1,216,769	999,765	113,264	8,140	2,337,938
Revenue from other source	—	—	—	182,675	182,675
Rental income	—	—	—	182,675	182,675
Total segment revenue	31,050,369	8,156,680	4,262,352	674,157	44,143,558
Less: inter-segment revenue	(8,335)	(437)	(94,732)	(47,165)	(150,669)
Revenue from external customers	31,042,034	8,156,243	4,167,620	626,992	43,992,889
Segment results	2,297,303	83,992	222,549	73,001	2,676,845

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. Revenue and segment information *(Continued)*

(b) Segment information *(Continued)*

The segment information provided to the CODM for the year ended 31 December 2024 is as follows:
(Continued)

	Year ended 31 December 2024				
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management businesses RMB'000	City services RMB'000	Commercial operational services RMB'000	Total RMB'000
Share of results of investments accounted for using the equity method	(13,748)	(4,127)	6,306	9	(11,560)
Depreciation and amortisation charges	1,361,272	149,838	363,386	114,013	1,988,509
Net impairment losses on financial and contract assets	615,255	9,322	36,592	2,548	663,717
Impairment of goodwill and other intangible assets	—	—	990,000	—	990,000
Capital expenditure	1,329,179	236,244	149,538	418,113	2,133,074

	At 31 December 2024				
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management businesses RMB'000	City services RMB'000	Commercial operational services RMB'000	Total RMB'000
Segment assets	55,615,812	4,066,678	6,728,345	2,576,679	68,987,514
Investments accounted for using the equity method	398,138	105,492	29,617	250	533,497
Segment liabilities	20,463,897	3,674,309	2,489,258	2,371,598	28,999,062



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. Revenue and segment information (Continued)

(b) Segment information (Continued)

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

	Year ended 31 December 2023				
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management businesses RMB'000	City services RMB'000	Commercial operational services RMB'000	Total RMB'000
Revenue from contracts with customers	30,224,898	6,520,190	4,989,336	723,171	42,457,595
Recognised over time	29,152,688	5,836,604	4,824,286	700,278	40,513,856
Recognised at a point time	1,072,210	683,586	165,050	22,893	1,943,739
Revenue from other source	—	—	—	294,510	294,510
Rental income	—	—	—	294,510	294,510
Total segment revenue	30,224,898	6,520,190	4,989,336	1,017,681	42,752,105
Less: inter-segment revenue	(29,625)	—	(105,706)	(5,263)	(140,594)
Revenue from external customers	30,195,273	6,520,190	4,883,630	1,012,418	42,611,511
Segment results	94,502	87,690	771,737	84,066	1,037,995

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. Revenue and segment information *(Continued)*

(b) Segment information *(Continued)*

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

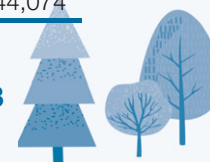
	At 31 December 2023				
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management businesses RMB'000	City services RMB'000	Commercial operational services RMB'000	Total RMB'000
Segment assets	51,179,563	3,354,333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

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

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Segment results	2,676,845	1,037,995
Realised and unrealised (losses)/gains from financial assets at FVPL (note 8)	(18,294)	3,474
Finance income — net	48,155	38,181
Profit before income tax	2,706,706	1,079,650

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

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. Revenue and segment information *(Continued)*

(b) Segment information *(Continued)*

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

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

(c) Accounting policies of revenue recognition

The Group provides property management services, community value-added services, value-added services to non-property owners, heat supply services, city services and commercial operational services. Revenue from providing services is recognised in the accounting period in which the services are rendered. At contract inception, the Group evaluates whether the contracts meet the criteria under HKFRS 15 para 9, especially whether it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group consider the customer's ability and intention to pay that amount of consideration when it is due. If the contract does not meet the criteria at inception, or subsequently a customer's ability to pay the consideration deteriorates significantly and the Group conclude that it is not probable that the Group will collect the consideration to which they will be entitled in exchange for the remaining goods or services that will be transferred to the customer, the Group recognise the consideration received as revenue only if the Group has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable, or the contract has been terminated and the consideration received from the customer is non-refundable. For contract that meets such criteria and revenue is recognised but the corresponding consideration is not yet fully settled at the time, the credit risk of the collection is considered in impairment assessment (note 4.1.1).

For property management services, heat supply services, city services and commercial operational services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

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 the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of sales. For property management services income from properties managed under commission basis, the Group recognises the commission, which is calculated by certain percentage of the total property management fee received or receivable from the property units, as its revenue for arranging and monitoring the services as provided by other suppliers to the property owners.

6. Revenue and segment information *(Continued)*

(c) Accounting policies of revenue recognition *(Continued)*

Value-added services to non-property owners mainly include consultancy services to property developers or other property management companies, cleaning, greening, repair and maintenance services, sales of goods, leasing agency services for unsold parking spaces and properties to property developers at the pre-delivery stage, and agency sales for parking spaces and unsold properties. 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.

Community value-added services mainly include home living services, home decoration intermediate services, real estate brokerage services, community media services, local life services, community area services, insurance brokerage services and sales of goods. Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on the acceptance of the goods by the customer. Revenue from brokerage services is recognised at the point in time when the services are rendered and accepted by the customers. Revenue from the other services is recognised when the related community value-added services are rendered.

Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

City services mainly include road cleaning services, garbage collection services, waste treatment services and sales of goods. The Group also provides construction services under service concession arrangements. Revenue from the construction services is recognised over time as the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced.

Commercial operational services mainly include tenant management, rent collection services and other value-added services. The Group provides shopping malls, neighborhood centers, commercial blocks, specialised markets and other projects with full-chain services such as business planning consulting, tenant sourcing, operation and planning services, mainly including (i) conducting commercial operation and management of the properties owned by leasing developers or property owners; (ii) providing property market research and positioning services at the investment stage of property developers; (iii) providing market research and positioning, business planning consulting, tenant solicitation and opening preparation services to property developers or owners at the preparation stage before the opening of the properties; and (iv) providing tenant solicitation, operation and management services to property owners or tenants at the stage of property operation.

When either party to a contract has performed, the Group presents the contract in the 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.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. 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.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

7. Other income

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

8. Other gains — net

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Losses)/gains on disposals of subsidiaries (note 39)	(38,589)	69,257
Gains from the change of sublease contracts (a)	78,652	50,452
(Losses)/gains on early termination of lease contracts (b)	(4,861)	30,882
Net foreign exchange gains	51,251	21,483
Realised and unrealised (losses)/gains from financial assets at FVPL	(18,294)	3,474
Gains on disposals of investments accounted for using the equity method	4,009	—
Losses on disposals of property, plant and equipment, and investment properties	(25,689)	(24,894)
Fair value change on contingent considerations	531,876	—
Others	(93,633)	10,724
	484,722	161,378

- (a) In 2024, the Group signed certain sublease contracts of properties with third parties, and recognised a net gain of RMB78,652,000 (2023: RMB50,452,000) resulting from the differences of the recognition of finance lease receivables and the derecognition of investment properties.
- (b) In 2024, the Group has early terminated certain property lease contracts. Such termination resulted in derecognition of other right-of-use assets of RMB25,490,000 (2023: RMB13,628,000) (note 17), investment properties of RMB68,846,000 (2023: RMB1,093,747,000), receivables from finance leases of RMB31,890,000 (2023: RMB235,863,000) and lease liabilities of RMB121,366,000 (2023: RMB1,374,120,000) (note 36(d)), resulting the losses of early termination of lease contracts recognised in other losses of RMB4,861,000 (2023: other gains of RMB30,882,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

9. Impairment under expected credit loss model, net of reversal

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Impairment loss recognised on:		
— trade receivables	525,783	2,707,741
— other receivables	97,897	(113,942)
— financial guarantee contracts (note 43)	40,037	—
	663,717	2,593,799

Details of impairment assessment are set out in note 4.1.1.

10. Employee benefit expenses

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonuses	14,143,110	13,466,989
Housing funds, medical insurances and other social security costs	844,938	816,382
Pension costs — defined contribution plans (a)	656,043	633,791
Share options granted to directors and employee	123,265	(202,649)
Other benefits	620,486	670,003
	16,387,842	15,384,516

(a) Pension costs — defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group contributes on a monthly basis to various defined contribution benefit plans organised by the relevant governmental authorities. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Assets of the plans are held and managed by government authorities and are separated from those of the Group.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

10. Employee benefit expenses *(Continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included 2 directors for the year ended 31 December 2024 (2023: 4 directors), whose emoluments are reflected in the analysis shown in note 42. The emoluments payable to the remaining 3 individuals (2023: 1 individual) are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Basic salaries, housing allowances, share options, other allowances and benefits in kind	19,258	1,770
Contribution to pension scheme	155	25
	19,413	1,795

The emoluments fell within the following bands:

	Year ended 31 December	
	2024	2023
Emolument bands (in HKD)		
1,500,000—2,000,000	—	1
4,500,000—5,000,000	2	—
11,500,000—12,000,000	1	—
	3	1

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals for the year ended 31 December 2024 (2023: nil).

11. Finance income — net

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

12. Income tax expense

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax		
— Provision for current income tax	1,280,405	1,393,709
— Over provision in prior years	(36,228)	—
	1,244,177	1,393,709
Deferred income tax (note 34)		
— Corporate income tax	(415,094)	(850,770)
— Withholding income tax on profits to be distributed in future	3,115	20,000
	(411,979)	(830,770)
	832,198	562,939

(a) Cayman Island income tax

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

(b) Hong Kong profits tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax during the year.

(c) PRC corporate income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in PRC is 25%. Certain subsidiaries of the Group in the PRC are either located in western cities or autonomous regions or qualified as “High and New Technology Enterprise” or “Small and Micro Enterprises” subject to a preferential income tax rate of 15% or 10% in certain years.

(d) PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate would be reduced from 10% to 5%. The Company and its intermediate subsidiaries incorporated in the BVI and Hong Kong have successfully obtained Hong Kong Tax Resident Identity certificates and the applicable withholding tax rate has been reduced to 5% accordingly in 2024 and 2023.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

12. Income tax expense *(Continued)*

- (e) The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable corporate income tax rate of 25%. The difference is analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	2,706,706	1,079,650
Less: Share of results of investments accounted for using the equity method	11,560	50,921
	2,718,266	1,130,571
Tax calculated at applicable corporate income tax rate of 25% (2023: 25%)	679,567	282,643
Effects of different tax rates applicable to different subsidiaries of the Group	(160,350)	(65,528)
Income not subject to tax	(12,543)	(27,546)
Expenses not deductible for taxation purposes	299,801	319,728
Unrecognised tax losses	9,519	9,622
Effects of tax rate change on deferred tax	2,933	(980)
Withholding income tax paid	46,384	25,000
Over provision in previous years	(36,228)	—
	829,083	542,939
Withholding income tax on profits to be distributed in future	3,115	20,000
	832,198	562,939

13. Profit for the year

Profit for the year has been arrived for after charging:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Employee benefit expenses (note 10)	16,387,842	15,384,516
Total depreciation and amortisation charges	1,988,509	1,925,019
Cost of inventories recognised as expenses	2,110,091	1,277,488
Rental expenses for short-term and low-value leases	467,937	433,855
Auditor's remuneration		
— Annual audit and interim review services	8,200	13,850
— Non audit services	425	1,140
	8,625	14,990

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

14. Earnings per share

(a) Basic

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

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

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares arising from the share option schemes (note 32).

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

15. Dividends

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

The final dividend in respect of year ended 31 December 2022 of RMB14.40 cents (equivalent to HKD15.89 cents) per share and a special dividend of RMB22.81 cents (equivalent to HKD25.17 cents) per share, totalling RMB1,255,141,000, has been approved at the Annual General Meeting on 25 May 2023 and was paid in cash on 11 August 2023.

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

16. Property, plant and equipment

	Machinery RMB'000	Transportation equipment RMB'000	Equipment RMB'000	Buildings RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2023							
Cost	362,489	1,083,741	409,320	136,212	99,478	328,048	2,419,288
Accumulated depreciation	(133,433)	(357,182)	(263,265)	(9,021)	—	(178,870)	(941,771)
Net book amount	229,056	726,559	146,055	127,191	99,478	149,178	1,477,517
Year ended 31 December 2023							
Opening net book amount	229,056	726,559	146,055	127,191	99,478	149,178	1,477,517
Transfer from construction in progress	42,468	—	—	3,811	(46,279)	—	—
Additions	80,088	185,107	91,759	23,156	110,966	199,037	690,113
Disposals	(6,034)	(80,568)	(4,465)	—	(2,098)	—	(93,165)
Depreciation	(60,582)	(108,242)	(113,216)	(6,496)	—	(128,965)	(417,501)
Closing net book amount	284,996	722,856	120,133	147,662	162,067	219,250	1,656,964
At 31 December 2023							
Cost	467,773	1,125,045	454,912	163,179	162,067	527,085	2,900,061
Accumulated depreciation	(182,777)	(402,189)	(334,779)	(15,517)	—	(307,835)	(1,243,097)
Net book amount	284,996	722,856	120,133	147,662	162,067	219,250	1,656,964
Year ended 31 December 2024							
Opening net book amount	284,996	722,856	120,133	147,662	162,067	219,250	1,656,964
Transfer from construction in progress	38,339	—	—	155,801	(194,140)	—	—
Acquisition of subsidiaries (note 38)	25,923	407	2,418	1,370	—	—	30,118
Additions	63,436	170,164	117,393	36,988	95,734	126,576	610,291
Disposals	(41,204)	(49,869)	(33,835)	—	(1,610)	—	(126,518)
Disposals of subsidiaries	(8,794)	(1,865)	(2,454)	—	—	—	(13,113)
Depreciation	(57,236)	(151,731)	(115,148)	(13,965)	—	(117,180)	(455,260)
Closing net book amount	305,460	689,962	88,507	327,856	62,051	228,646	1,702,482
At 31 December 2024							
Cost	531,217	1,191,463	487,245	357,338	62,051	653,661	3,282,975
Accumulated depreciation	(225,757)	(501,501)	(398,738)	(29,482)	—	(425,015)	(1,580,493)
Net book amount	305,460	689,962	88,507	327,856	62,051	228,646	1,702,482

As at 31 December 2024, transportation equipment with net book amount of RMB119,476,000 (2023: RMB68,021,000) were pledged as collateral for the Group's bank and other borrowings (note 35).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

16. Property, plant and equipment *(Continued)*

Depreciation expenses were charged to the following categories in the consolidated statement of profit or loss and comprehensive income:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Cost of sales	382,607	350,873
General and administrative expenses	72,653	66,628
	455,260	417,501

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Buildings	20 years
Machinery	5-15 years
Transportation equipment	5-10 years
Equipment	5-10 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

See note 44.5 for the other accounting policies relevant to property, plant and equipment.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

17. Leases

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

Apart from leased-in investment properties (note 18), the movement of other right-of-use assets is shown as follows:

Other right-of-use assets

	Buildings RMB'000	Transportation equipment RMB'000	Machinery RMB'000	Land use right RMB'000	Total RMB'000
Year ended 31 December 2024					
Opening net book amount	339,497	4,351	22,883	59,006	425,737
Additions	204,491	26,498	57,069	11,172	299,230
Transfer to investment properties	(100,971)	—	—	—	(100,971)
Early termination of lease contracts	(15,967)	(223)	(9,300)	—	(25,490)
Depreciation	(137,831)	(10,521)	(27,840)	(1,705)	(177,897)
Closing net book amount	289,219	20,105	42,812	68,473	420,609
At 31 December 2024					
Cost	465,807	26,498	63,308	79,219	634,832
Accumulated depreciation	(176,588)	(6,393)	(20,496)	(10,746)	(214,223)
Net book amount	289,219	20,105	42,812	68,473	420,609
Year ended 31 December 2023					
Opening net book amount	142,781	6,573	4,180	60,855	214,389
Additions	361,924	15,392	24,561	—	401,877
Early termination of lease contracts	(12,463)	—	—	(1,165)	(13,628)
Depreciation	(152,745)	(17,614)	(5,858)	(684)	(176,901)
Closing net book amount	339,497	4,351	22,883	59,006	425,737
At 31 December 2023					
Cost	503,313	23,950	30,289	68,046	625,598
Accumulated depreciation	(163,816)	(19,599)	(7,406)	(9,040)	(199,861)
Net book amount	339,497	4,351	22,883	59,006	425,737

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

17. Leases (Continued)

(a) Amounts recognised in the consolidated statement of financial position (Continued)

The consolidated statement of financial position shows the following amounts relating to lease liabilities:

Lease liabilities

	At 31 December 2024 RMB'000	2023 RMB'000
Current	203,650	164,252
Non-current	1,726,309	1,353,427
	1,929,959	1,517,679

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Depreciation charge of other right-of-use assets		
Buildings	137,831	152,745
Land use right	1,705	684
Machinery	27,840	5,858
Transportation equipment	10,521	17,614
	177,897	176,901
Expense relating to short-term leases and leases of low-value assets (included in 'Cost of sales' and 'General and administrative expenses')	467,937	433,855
Interest expense (included in 'Finance costs')	93,989	141,761

The total cash outflow for leases in the year ended 31 December 2024 was RMB805,850,000 (2023: RMB810,496,000).

(c) The Group's leasing activities and how these are accounted for

The Group leases various buildings, transportation equipment and machinery. Rental contracts are typically made for fixed periods of 1 to 20 years without extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

17. Leases *(Continued)*

(d) Accounting policies of leases

Leases are recognised as a right-of-use asset, a receivable (for subleased-out under finance leases) and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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.

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.



17. Leases *(Continued)*

(d) Accounting policies of leases *(Continued)*

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets mainly comprise electronic equipment and vehicles.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.



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FOR THE YEAR ENDED 31 DECEMBER 2024

18. Investment properties

	Land and buildings RMB'000	Right-of-use assets RMB'000	Total RMB'000
Year ended 31 December 2024			
Opening net book amount	132,828	1,172,174	1,305,002
Additions	144,575	593,204	737,779
Transfer from other right-of-use assets	—	100,971	100,971
Disposals	(47,224)	(271,171)	(318,395)
Depreciation	(13,252)	(114,281)	(127,533)
Net book amount	216,927	1,480,897	1,697,824
Year ended 31 December 2023			
Opening net book amount	68,392	1,921,275	1,989,667
Additions	127,320	504,700	632,020
Disposals	(33,230)	(1,093,747)	(1,126,977)
Depreciation	(29,654)	(160,054)	(189,708)
Net book amount	132,828	1,172,174	1,305,002

- (a) For the year ended 31 December 2024, the additions of right-of-use assets comprised of leases in commercial properties with lease term periods of 2-20 years (2023: 2-20 years).
- (b) Fair value disclosure and fair value hierarchy

As at 31 December 2024, the fair values of the investment properties approximated to RMB2,066,790,000 (2023: RMB1,446,767,000). As certain of significant inputs used in the determination of fair value of investment properties are arrived at by reference to certain significant unobservable market data, the fair value of all investment properties of the Group is included in level 3 of the fair value measurement hierarchy.

- (c) Fair value measurement processes of the Group

The Group's investment properties were valued as at 31 December 2024, by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent and professionally qualified valuer who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Discussions of valuation processes and results are held between management and the valuers on an annual basis, in line with the Group's annual reporting date.

At each financial year end, the management:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuation movements when compared to the prior year valuation report; and
- Holds discussions with the independent valuer.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

18. Investment properties *(Continued)*

(d) Valuation techniques

Investment properties comprise of right-of-use assets of commercial properties held under leases. Fair values of the investment properties are generally derived using the term and reversionary method. This method is based on the tenancy agreements as at the respective valuation dates. The rental income derived within the tenancy agreements are discounted by adopting term yields and the potential reversionary income are discounted by adopting appropriate reversionary yields for the period beyond the rental period in the tenancy agreements. Potential reversionary income and the reversionary yields are derived from analysis of prevailing market rents and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

Valuation techniques	Unobservable inputs	Range of unobservable inputs 2024	2023	Relationship of unobservable inputs to fair value
Income approach	Term yields	3.5%-7.0%	3.0%-6.5%	The higher the term yields, the lower the fair value
	Reversionary yields	4.5%-7.0%	3.5%-7.0%	The higher the reversionary yields, the lower the fair value
	Market rents	RMB15-242 per square meter per month	RMB21-203 per square meter per month	The higher the market rents, the higher the fair value

(e) Accounting policies of investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both and are not occupied by the Group. Commercial properties held under leases held for rental yields and are not occupied by the Group are recognised as investment properties.

The Group measured its investment properties at cost, including related transaction costs and where applicable borrowing costs. Depreciation is calculated using the straight-line method to allocate their cost over their useful life or lease term varying from 5 to 20 years.

If an item of owner-occupied property becomes an investment property because its use has changed, the carrying amount of the item at the date of transfer is equal to the carrying amount of the investment property measured by the cost model.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Intangible assets

	Software RMB'000 (ii)	Contracts and customer relationships RMB'000 (iii)	Insurance brokerage license RMB'000 (iv)	Brand RMB'000 (v)	Concession intangible assets RMB'000 (vi)	Total other intangible assets RMB'000	Goodwill RMB'000 (vii)	Total RMB'000
At 1 January 2023								
Cost	528,642	6,938,827	28,663	2,166,442	294,363	9,956,937	19,639,425	29,596,362
Accumulated amortisation	(119,855)	(1,359,206)	(6,392)	(350,523)	(31,179)	(1,867,155)	—	(1,867,155)
Accumulated impairment	—	(2,861)	—	(34,877)	—	(37,738)	(1,738,108)	(1,775,846)
Net book amount	408,787	5,576,760	22,271	1,781,042	263,184	8,052,044	17,901,317	25,953,361
Year ended 31 December 2023								
Opening net book amount	408,787	5,576,760	22,271	1,781,042	263,184	8,052,044	17,901,317	25,953,361
Additions	139,357	77,988	—	—	374,057	591,402	—	591,402
Amortisation	(61,839)	(807,793)	(2,474)	(240,979)	(27,824)	(1,140,909)	—	(1,140,909)
Disposals	(546)	—	—	—	—	(546)	—	(546)
Impairment	—	(5,595)	—	(1,888)	—	(7,483)	(1,468,516)	(1,475,999)
Closing net book amount	485,759	4,841,360	19,797	1,538,175	609,417	7,494,508	16,432,801	23,927,309
At 31 December 2023								
Cost	665,833	7,016,815	28,663	2,128,394	668,420	10,508,125	19,639,425	30,147,550
Accumulated amortisation	(180,074)	(2,166,999)	(8,866)	(588,331)	(59,003)	(3,003,273)	—	(3,003,273)
Accumulated impairment	—	(8,456)	—	(1,888)	—	(10,344)	(3,206,624)	(3,216,968)
Net book amount	485,759	4,841,360	19,797	1,538,175	609,417	7,494,508	16,432,801	23,927,309
Year ended 31 December 2024								
Opening net book amount	485,759	4,841,360	19,797	1,538,175	609,417	7,494,508	16,432,801	23,927,309
Additions	72,540	400,001	—	—	13,233	485,774	—	485,774
Acquisition of subsidiaries (note 38)	65	43,963	—	—	—	44,028	76,802	120,830
Amortisation	(74,101)	(866,892)	(2,475)	(240,583)	(43,768)	(1,227,819)	—	(1,227,819)
Disposals	(5,226)	—	—	—	—	(5,226)	—	(5,226)
Disposal of subsidiaries	—	(51,758)	—	—	—	(51,758)	(96,797)	(148,555)
Impairment	—	—	—	—	—	—	(990,000)	(990,000)
Closing net book amount	479,037	4,366,674	17,322	1,297,592	578,882	6,739,507	15,422,806	22,162,313
At 31 December 2024								
Cost	730,092	7,377,702	28,663	2,128,394	681,327	10,946,178	19,479,477	30,425,655
Accumulated amortisation	(251,055)	(3,002,572)	(11,341)	(828,914)	(102,445)	(4,196,327)	—	(4,196,327)
Accumulated impairment	—	(8,456)	—	(1,888)	—	(10,344)	(4,056,671)	(4,067,015)
Net book amount	479,037	4,366,674	17,322	1,297,592	578,882	6,739,507	15,422,806	22,162,313

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Intangible assets *(Continued)*

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

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

(i) Amortisation methods and periods

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

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

(ii) Software

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

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

(iii) Contracts and customer relationships

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

(iv) Insurance brokerage license

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

(v) Brand

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Intangible assets *(Continued)*

(vi) Concession intangible assets

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

(vii) Goodwill

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

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

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

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

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

Integration of CGUs and goodwill reallocation

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

During the year ended 31 December 2023, Caizhixin Smart Life Services Group CGU was integrated into Life Services CGU and the goodwill originally along with Caizhixin Smart Life Services Group CGU is reallocated into Life Services CGU. Both Caizhixin Smart Life Services Group CGU and Life Services CGU are within the Property Management Operating Segment.

Impairment tests on goodwill

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

For the year ended 31 December 2024

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

Impairment of Manguo CGU

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

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



19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

Impairment tests on goodwill *(Continued)*

For the year ended 31 December 2023

As at 31 December 2023, management recalculated the recoverable amounts of all CGUs or group of CGUs. The value-in-use results of CGUs other than Justbon Services CGU, Fujian Dongfei CGU and City Media CGU was assessed to exceed their carrying amounts as at 31 December 2023.

Impairment of Justbon Services CGU

In the year ended 31 December 2023, management reassessed the key assumptions for impairment testing of goodwill of Justbon Services CGU and considered that the profit margin and property management fee collection rate of several projects were less than expected, resulting in the management's decisions about withdrawing from corresponding property management projects of Justbon Services CGU, and suspended some value-added services to non-property owners with poor payment collection performance. Also, due to the impact of the macroeconomic environment, property owners were less willing to spend, thereby affecting the development of community value-added services, which had a negative impact on the revenue and profitability of Justbon Services CGU for the year ended 31 December 2023. In addition, the pre-tax discount rate used in the goodwill impairment test increased as a result of the increase of equity risk premium as well as the country premium, leading to a further decrease of value in use of Justbon Service. According to the management's estimation of the recoverable amount of Justbon Services with the assistance of an independent valuer, which was calculated based on its value in use that was assessed to be higher than its FVLCD, impairment of goodwill of approximately RMB614,573,000 was recognised for Justbon Services CGU during the year ended 31 December 2023, resulting in a reduction in the carrying amount of the goodwill of Justbon Services CGU to RMB2,973,736,000 as at 31 December 2023.

Impairment of Fujian Dongfei CGU

In the year ended 31 December 2023, management reassessed the key assumptions for impairment testing of goodwill of Fujian Dongfei CGU and considered that the cash flows of customers served by Fujian Dongfei CGU was tightening due to the impact of the macroeconomic environment, resulting in a decrease in gross profit for new projects and increased difficulty in collecting payments from past projects. Moreover, these adverse effects are expected to remain for a period of time other than temporary. According to the management's estimation of the recoverable amount of Fujian Dongfei CGU with the assistance of an independent valuer, which was calculated based on its value in use that was assessed to be higher than its FVLCD, impairment of goodwill and other intangible assets of approximately RMB406,382,000 and RMB5,595,000 were recognised for Fujian Dongfei, respectively, resulting in a reduction in the carrying amount of the goodwill and other intangible assets of Fujian Dongfei to nil and RMB138,481,000.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Intangible assets *(Continued)*

(vii) Goodwill *(Continued)*

Impairment tests on goodwill *(Continued)*

For the year ended 31 December 2023 *(Continued)*

Impairment of City Media CGU

In the year ended 31 December 2023, management reassessed the key assumptions for impairment testing of goodwill of City Media and considered that the consumer demands in the advertising market were shrinking due to the impact of the macroeconomic environment, resulting in a decrease in some clients' advertising placement budget, which had a negative impact on the business development of City Media. Moreover, these adverse effects are expected to remain for a longer period of time. According to the management's estimation of the recoverable amount of City Media with the assistance of an independent valuer, which was calculated based on its value in use that was assessed to be higher than its FVLCD, impairment of goodwill and other intangible assets of approximately RMB313,998,000 and RMB701,000 were recognised for City Media, respectively, resulting in a reduction in the carrying amount of the goodwill and other intangible assets of City Media to nil and RMB92,131,000.

As at 31 December 2023, management reassessed the key assumptions for impairment testing of goodwill of the other CGUs. Based on the assessment, the Group considered that no additional material impairment of goodwill was required.

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

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

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19. Intangible assets (Continued)

(vii) Goodwill (Continued)

Impairment tests on goodwill (Continued)

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

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

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

	At 31 December 2024							
	Wealth Best Global		Link Joy		Manguo		Life Services	
	From	To	From	To	From	To	From	To
Revenue growth rates during the projection period	3.0%	-5.7%	3.0%	-10.9%	N/A	N/A	3.0%	-30.2%
Gross profit margins during the projection period	30.1%	20.9%	32.9%	-5.6%	N/A	N/A	20.3%	5.6%
EBITDA margins during the projection period	21.1%	11.9%	26.0%	-62.8%	N/A	N/A	9.7%	-5.6%
Terminal growth rate	2.0%	-7.9%	2.0%	N/A*	N/A	N/A	2.0%	N/A*
Pre-tax discount rates	17.8%	28.4%	17.7%	N/A*	N/A	N/A	17.4%	N/A*

	At 31 December 2023							
	Wealth Best Global		Link Joy		Manguo		Life Services	
	From	To	From	To	From	To	From	To
Revenue growth rates during the projection period	5.0%-9.0%	0.5%	3.0%	-13.9%	5.0%	4.8%	3.0%	-48.8%
Gross profit margins during the projection period	34.2%	27.7%	34.6%	22.1%	24.0%	22.1%	21.8%	7.6%
EBITDA margins during the projection period	22.9%	17.6%	22.7%	12.4%	20.2%	20.1%	11.9%	-2.3%
Terminal growth rate	3.0%	-2.7%	3.0%	-37.9%	3.0%	2.9%	3.0%	N/A*
Pre-tax discount rates	20.4%	25.2%	20.7%	36.8%	15.3%	15.4%	20.8%	N/A*

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



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20. Subsidiaries

The following is a list of principal subsidiaries at 31 December 2024. Among these subsidiaries registered under PRC law, Country Garden Life Services Group Co. Ltd. (碧桂園生活服務集團股份有限公司), Ganglian Real Estate Services (China) Co., Ltd. (港聯不動產服務(中國)股份有限公司) and Sichuan Justbon Services Group Co. Limited (四川嘉寶生活服務集團股份有限公司) are joint stock companies with limited liabilities, and Shenzhen Happy Vientiane Investment Partnership (Limited Partnership) (深圳市幸福萬象投資合夥企業(有限合夥)) is a limited partnership, and the other subsidiaries are limited liability companies:

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2024	2023	2024	2023	
Directly held by the Company:							
<i>Incorporated in the BVI and operates in Mainland China:</i>							
United Gain Group Ltd. (集裕集團有限公司)	28 March 2006	USD200	100%	100%	—	—	Investment holding
Ornate Forest Limited (繁森有限公司)	07 July 2017	USD50,000	100%	100%	—	—	Investment holding
Indirectly held by the Company:							
<i>Incorporated in Hong Kong and operates in Hong Kong:</i>							
Country Garden Property Services HK Holdings Company Limited (碧桂園物業香港控股有限公司)	05 February 2018	HKD1	100%	100%	—	—	Investment holding
<i>Incorporated in the BVI and operates in Mainland China:</i>							
Sino Estate Holdings Limited	06 November 2003	HKD780	100%	100%	—	—	Investment holding
Wealth Best Global Holdings Group Company Limited (富良環球有限公司)	10 December 1998	USD1	100%	100%	—	—	Property management and related services
<i>Incorporated in the Cayman Islands and operates in Mainland China:</i>							
Link Joy Holdings Group Co., Limited (鄰里樂控股集團有限公司)	16 June 2015	USD2	100%	100%	—	—	Investment holding
Country Garden Services Business Management Holdings Limited (碧桂園服務商業管理控股有限公司)	13 July 2021	—	100%	100%	—	—	Investment holding
<i>Established and operates in Mainland China:</i>							
Country Garden Life Services Group Co. Ltd. (碧桂園生活服務集團股份有限公司)	19 April 2004	RMB360,000,000	100%	100%	—	—	Property management and related services
Country Garden City Light Intelligent Property Services Co., Ltd. (碧桂園城市之光智慧物業服務有限公司)	15 December 1998	RMB19,390,000	51%	51%	49%	49%	Property management and related services

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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2024	2023	2024	2023	
Beijing Shengshi Property Services Company Limited (北京盛世物業服務有限公司)	24 April 1999	RMB7,000,000	100%	100%	—	—	Property management and related services
Jiangxi Bicheng Jiejia Property Services Co., Ltd. (formerly Jiangxi Country Garden Jiejia Property Service Co., Ltd.) (江西碧城潔佳物業服務有限公司，曾用名：(江西碧桂園潔佳物業服務有限公司))	18 February 1993	RMB10,000,000	100%	100%	—	—	Property management and related services
Shanghai Ruijing Industrial Company Limited (上海睿靖實業有限公司)	5 January 2018	RMB26,620,000	100%	100%	—	—	Property management and related services
Hainan Sailai Borui Property Services Company Limited (海南賽萊柏瑞物業服務有限公司)	12 April 2012	RMB5,000,000	100%	100%	—	—	Property management and related services
Guangdong Country Garden Huimin Property Services Company Limited (廣東碧桂園惠民物業服務有限公司)	09 January 2017	RMB5,100,000	100%	100%	—	—	Property management and related services
Xingong Xiamen Property Management Services Company Limited (新工(廈門)物業管理服務有限公司)	30 April 2003	RMB9,132,250	100%	100%	—	—	Property management and related services
Suzhou Industrial Park CPG Facilities Management Co., Ltd. (蘇州碧桂園新物業管理服務有限公司)	14 December 2001	RMB5,000,000	100%	100%	—	—	Property management and related services
Fenghuang Hui Information Technology Co., Ltd. (鳳凰匯信息科技有限公司)	18 January 2018	RMB30,580,000	100%	100%	—	—	E-commerce
Guangdong Bichuang Asset Operation Co., Ltd. (廣東碧創資產運營有限公司)	18 January 2004	RMB5,000,000	100%	100%	—	—	Property management and related services
Shanghai Lianyuan Property Development Company Limited (上海聯源物業發展有限公司)	20 November 1995	RMB10,000,000	100%	100%	—	—	Property intermediary services
Inner Mongolia Renhe Services Company Limited (內蒙古仁和服務有限責任公司)	18 November 1999	RMB14,008,340	85%	70%	15%	30%	Property management and related services
Suzhou Wuyuan Property Management Company Limited (蘇州物源物業管理有限公司)	22 March 2007	RMB5,000,000	95%	95%	5%	5%	Property management and related services
Zhejiang Country Garden Bijia Property Service Co., Ltd. (浙江碧桂園嘉物業服務有限公司)	24 January 2002	RMB50,000,000	100%	100%	—	—	Property management and related services
Shanghai Mingjun Property Management Company Limited (上海明君物業管理有限公司)	31 May 1996	RMB5,150,000	100%	100%	—	—	Property management and related services



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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2024	2023	2024	2023	
Ganglian Real Estate Services (China) Co., Ltd. (i) (港聯不動產服務(中國)股份有限公司)	05 August 1999	RMB60,000,000	100%	100%	—	—	Property management and related services
Baoshihua Home Life Services Group Co., Ltd. (寶石花家園生活服務集團有限公司)	12 September 2018	RMB420,000,000	65%	65%	35%	35%	Investment holding
Baoshihua Property Management Company Limited (寶石花物業管理有限公司)	26 October 2018	RMB308,111,060	51%	51%	49%	49%	Property management and related services
Baoshihua Tong Fang Energy Technology Company Limited (寶石花同方能源科技有限公司)	27 December 2018	RMB122,950,000	70%	70%	30%	30%	Property management, heat supply and related services
Baoshihua Heat Company Limited (寶石花熱力有限公司)	07 January 2019	RMB150,000,000	65%	65%	35%	35%	Heat supply services
Daqing Baoshihua Heat Company Limited (大慶寶石花熱力有限公司)	18 January 2019	RMB30,000,000	100%	100%	—	—	Heat supply services
Fujian Dongfei (i) (福建東飛環境集團有限公司)	11 January 2013	RMB133,333,333	67.5%	60%	32.5%	40%	City services
Manguo (i) (碧桂園滿園環境科技集團有限公司)	26 March 2015	RMB50,500,000	70%	70%	30%	30%	City services
City-Media (城市縱橫(上海)文化傳媒有限公司)	20 December 2010	RMB60,000,000	65%	65%	35%	35%	City media services
Shanghai Jinchen Property Management Co., Ltd. (上海金晨物業經營管理有限公司)	20 February 1998	RMB10,000,000	100%	100%	—	—	Property management and related services
Guangdong Country Garden Life Service Co., Ltd. (廣東碧桂園生活服務有限公司)	20 December 2019	RMB2,000,000	100%	100%	—	—	Property management and related services
Guangdong Lexiang Life Family Service Co., Ltd. (廣東樂享生活家庭服務有限公司)	30 April 2015	—	100%	100%	—	—	Property management and related services
Chongqing Caizhixin Smart Life Services Group Limited (formerly Caixin Smart Life Services Group Limited) ("Caizhixin Services") (重慶財智信智慧生活服務集團有限公司(曾用名:財信智慧生活服務集團有限公司))(「財智信服務」)	01 November 2006	RMB200,000,000	100%	100%	—	—	Property management and related services
Guizhou Shunhui Business Management Co., Ltd. (貴州順暉商業管理有限公司)	29 January 2021	RMB9,300,000	100%	100%	—	—	Commercial complex management services
Zhuhai Shunhui Business Management Co., Ltd. (珠海順暉商業管理有限公司)	22 January 2021	RMB10,000,000	100%	100%	—	—	Commercial complex management services

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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2024	2023	2024	2023	
Shenzhen Zehui Apartment Management Co., Ltd. (深圳澤輝公寓管理有限公司)	04 March 2021	RMB2,760,000	100%	100%	—	—	Property intermediary services
Guiyang Southwest International Trade City Management Co., Ltd. (貴陽西南國際商貿城經營管理有限公司)	04 September 2012	RMB50,000,000	100%	100%	—	—	Property management and related services
Hainan Dehui Technology Management Service Co., Ltd. (海南德輝科技管理服務有限公司)	23 April 2021	RMB10,000,000	100%	100%	—	—	Information system integration services
Guangdong Shunhui Business Management Co., Ltd. (廣東順輝商業管理有限公司)	20 January 2021	RMB25,500,000	85%	85%	15%	15%	Commercial complex management services
Foshan Dehui Business Management Co., Ltd. (佛山德輝商業管理有限公司)	08 March 2021	RMB1,000,000	100%	100%	—	—	Commercial complex management services
Guangdong Zehui Housing Rental Development Investment Co., Ltd. (廣東澤輝住房租賃發展投資有限公司)	26 January 2021	RMB10,000,000	100%	100%	—	—	Property intermediary services
Suzhou Xinbiyuan Business Management Co., Ltd. (蘇州新碧園商業管理有限公司)	01 August 2018	RMB3,000,000	100%	100%	—	—	Property intermediary services and commercial complex management services
Guangzhou Zhihui Business Management Co., Ltd. (廣州智輝商業管理有限公司)	26 February 2021	RMB1,000,000	100%	100%	—	—	Commercial complex management services
Sichuan Justbon Life Services Group Co., Ltd. (四川嘉寶生活服務集團股份有限公司)	07 December 2000	RMB178,102,160	99.71%	99.71%	0.29%	0.29%	Property management and related services
Chongqing Jiabao Management Consulting Co., Ltd. (重慶嘉寶管理顧問有限公司)	14 July 2008	RMB5,000,000	99.25%	99.25%	0.75%	0.75%	Property management and related services
Guangzhou Tianli Real Estate Development Co., Ltd. (廣州天力物業發展有限公司)	10 December 1997	RMB610,000,000	100%	100%	—	—	Property management and related services
Guangzhou Fuxing Investment Consulting Co., Ltd. (i) (廣州富星投資諮詢有限公司)	11 December 2019	RMB310,000,000	100%	100%	—	—	Consulting services
Guangzhou Fulin Commercial Operation Co., Ltd. (廣州富鄰商業運營有限公司)	15 June 2020	RMB20,000,000	100%	100%	—	—	Commercial complex management services
Beijing Hengfu Property Service Co., Ltd. (北京恒富物業服務有限公司)	11 December 2002	RMB5,000,000	100%	100%	—	—	Property management and related services
Guangdong Surplus Equity Investment Fund Management Co., Ltd. (廣東盈盛產業投資有限責任公司)	04 May 2015	RMB10,000,000	100%	100%	—	—	Investment holding



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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2024	2023	2024	2023	
Guangdong Fenghuangdaoia Vocational Skill Training School Co., Ltd. (廣東鳳凰到家職業技能培訓學校有限公司)	31 December 2019	RMB10,000,000	70%	70%	30%	30%	Skill training services
Wenjin International Insurance Broker Co., Ltd. (文津國際保險經紀有限公司)	08 November 2007	RMB50,000,000	100%	100%	—	—	Insurance services
Guangdong Bi'An Security Service Co., Ltd. (廣東碧安保安有限公司)	19 June 2020	RMB10,000,000	100%	100%	—	—	Security services
Guangdong Bi'An Electromechanical Engineering Co., Ltd. (廣東碧安機電工程有限公司)	09 May 2020	RMB10,000,000	100%	100%	—	—	Construction and installation services
Tianjin TEDA City Investment Property Management Co., Ltd. (天津泰達城物業管理有限公司)	24 February 2004	RMB11,260,000	70%	70%	30%	30%	Property intermediary services
Shenzhen Biguiyuan Shengfu Real Estate Management Co., Ltd. (深圳碧桂園盛孚物業管理有限公司)	16 August 1995	RMB15,000,000	100%	100%	—	—	Property management and related services
Haikou Xinhua Zhengda Airport Services Co., Ltd. (海口新華正達空港服務有限公司)	02 November 1994	RMB13,200,000	100%	90%	—	10%	Property management and related services
Guangdong Meifang Zhigao Robot Co., Ltd. (廣東美房智高機器人有限公司)	18 January 2021	RMB40,000,000	100%	100%	—	—	Science and technology promotion and application services
Henan Guangxin Advertising Co., Ltd. (河南廣新廣告有限公司)	14 January 2005	RMB19,030,000	60%	60%	40%	40%	Advertising services
Anhui Chenghe Property Service Co., Ltd. (安徽誠和物業服務有限公司)	26 August 2008	RMB20,000,000	100%	100%	—	—	Property management and related services
Shenzhen Country Garden Business Management Co., Ltd. (深圳碧桂園商業管理有限公司)	22 February 2016	RMB10,000,000	50%*	50%*	50%	50%	Property intermediary services and Commercial complex management services
Tianjin Blue Ray Quanwei Business Management Co., Ltd. (天津藍光全維商業管理有限公司)	19 October 2020	RMB10,000,000	100%	100%	—	—	Commercial complex management services
Shenzhen Jiaxin Consulting Service Co., Ltd. (深圳市嘉信諮詢服務有限公司)	16 June 2016	RMB204,000,000	100%	100%	—	—	Consulting services

* The Group has 50% ownership interest and voting rights in Shenzhen Country Garden Business Management Co., Ltd. ("Shenzhen Business Management"). By considering that the Group has dominant voting rights to direct the relevant activities of Shenzhen Business Management unilaterally, the directors of the Company conclude that the Group control over Shenzhen Business Management and consolidate it as its subsidiary.

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20. Subsidiaries (Continued)

Names	Date of incorporation	Nominal value of issued and fully paid share capital/paid-in capital	Proportion of equity interest held by the Group		Proportion of ordinary shares held by non-controlling interests		Principal activities
			2024	2023	2024	2023	
Shenzhen Happy Vientiane Investment Partnership (Limited Partnership) (深圳市幸福萬象投資合夥企業 (有限合夥))	11 April 2014	RMB980,000,000	100%	100%	—	—	Investment holding
Wanxiangmei Property Management Co., Ltd. (萬象美物業管理有限公司)	08 May 2015	RMB50,100,000	100%	100%	—	—	Property management and related services
Shenzhen Kaiyuan International Real Estate Management Co., Ltd. (深圳市開元國際物業管理有限公司)	19 October 2000	RMB50,000,000	100%	100%	—	—	Property management and related services
Chongqing Degu Trading Co., Ltd. (重慶得固商貿有限公司)	04 May 2014	RMB10,000,000	100%	100%	—	—	Property intermediary services
Hainan Zhaonan Property Service Co., Ltd. (海南兆南物業服務有限公司)	07 June 2000	RMB15,000,000	70%	70%	30%	30%	Property management and related services
Yangpu Chengyi Property Management Co., Ltd. (i) (洋浦誠益物業管理有限公司)	25 April 2019	RMB500,000	100%	100%	—	—	Property intermediary services
Beijing Guorui Real Estate Management Co., Ltd. (北京國瑞物業服務有限公司)	12 April 2002	RMB5,000,000	100%	100%	—	—	Property management and related services
Chengdu Dongjing Property Management Company Limited (成都市東景物業管理有限公司)	15 October 2003	RMB5,500,000	100%	100%	—	—	Property management and related services
Shanghai Zhongliang Property Development Co., Ltd. (上海中梁物業發展有限公司)	15 December 2016	RMB130,000,000	100%	100%	—	—	Property management and related services
Wuhan Quanpu Culture Communication Co., Ltd. (武漢圈譜文化傳播有限公司)	01 June 2017	RMB6,250,000	60%	60%	40%	40%	Advertising services

(i) Registered as foreign investment enterprises under PRC law.

(ii) None of the subsidiaries had issued any debt securities at the end of the year.

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.

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.



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21. Investments accounted for using the equity method

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At 1 January	600,367	644,815
Additions	10,411	14,700
Share of results	(11,560)	(50,921)
Disposals	(35,923)	—
Disposals of investments by disposal of subsidiaries	(3,177)	—
Dividends received	(8,375)	(8,227)
Dividends declare	(4,254)	—
Acquisition of subsidiaries (note 38)	326	—
Acquisition of additional equity interests and become subsidiaries	(14,318)	—
At 31 December	533,497	600,367

The directors of the Company consider that none of these investments as at 31 December 2024 was significant to the Group and thus the individual financial information of the investments accounted for using the equity method was not disclosed.



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22. Financial instruments by category

	At 31 December 2024 RMB'000	2023 RMB'000
Financial assets at amortised cost:		
Trade and other receivables excluding prepayments	21,352,573	20,183,666
Cash and cash equivalents	15,337,225	12,637,187
Restricted bank deposits	560,016	302,090
Time deposits	2,281,361	—
	39,531,175	33,122,943
Financial assets at FVPL:		
Wealth management products	580,033	602,323
Investment fund	—	205,401
	580,033	807,724
Contingent consideration receivables	298,508	—
	878,541	807,724
Financial assets at FVOCI	556,740	4,317,978
	40,966,456	38,248,645
Financial liabilities at amortised cost:		
Bank and other borrowings	870,256	1,569,548
Trade and other payables excluding contingent considerations and non-financial liabilities	14,655,457	13,246,030
Lease liabilities	1,929,959	1,517,679
	17,455,672	16,333,257
Financial liabilities at FVPL:		
Contingent considerations for business combinations	118,235	214,683
	17,573,907	16,547,940

23. Financial assets at fair value through other comprehensive income

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

The investments mainly represent equity investments in several property management companies. For details of the fair value estimation, see note 4.3 (i).



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FOR THE YEAR ENDED 31 DECEMBER 2024

24. Contract assets

The Group has recognised the following assets related to contracts with customers:

	At 31 December 2024 RMB'000	2023 RMB'000
Contract assets	73,320	71,405

Pursuant to the service concession agreements for sewage and waste treatment, the Group receives no payment from the grantors during the construction period and receives service fees when relevant services are rendered during the operating periods. Upon the completion of construction, the balance of contract assets will transfer to concession intangible assets.

25. Financial assets at fair value through profit or loss

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

(a) The Group invested in various wealth management products which can be redeemed any time at the Group's discretion. These products have a term of 5 years (2023: 3 to 5 years) with expected return rate at 3.3% (2023: 2.8% to 4.6%). The fair values of these investments were determined based on the expected returns as stipulated in relevant contracts with the counterparties.

(b) This represented the Group's investment in a fund. The fair value of this investment was determined based on the valuation report provided by the fund manager.

26. Inventories

	At 31 December 2024 RMB'000	2023 RMB'000
Merchandise goods (i)	432,524	360,865
Raw materials	144,265	125,605
Others	36,453	29,795
	613,242	516,265

(i) Merchandise goods recognised as an expense during the year ended 31 December 2024 amounted to RMB2,110,091,000 (2023: RMB1,277,488,000). These were included in cost of sales.

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27. Trade and other receivables

	At 31 December 2024 RMB'000	2023 RMB'000
Current assets:		
Trade receivables (a)		
— Related parties (note 40(e))	2,548,569	2,997,161
— Third parties	18,595,563	16,514,024
	21,144,132	19,511,185
Less: allowance for impairment of trade receivables		
— Related parties (note 40(e))	(1,886,053)	(2,198,613)
— Third parties	(1,568,707)	(934,070)
	(3,454,760)	(3,132,683)
	17,689,372	16,378,502
Other receivables		
— Payments on behalf of property owners	962,054	913,437
— Deposits	505,457	486,340
— Loans to third parties pledged by equities (b)	1,185,849	1,184,011
— Receivables from finance leases	56,917	66,316
— Others(c)	988,187	1,212,760
	3,698,464	3,862,864
Less: allowance for impairment of other receivables	(318,032)	(220,135)
	3,380,432	3,642,729
Prepayments to suppliers		
— Related parties (note 40(e))	9,131	14,317
— Third parties	1,196,433	1,200,509
	1,205,564	1,214,826
Prepayments for other taxes	404,960	370,054
	22,680,328	21,606,111
Non-current assets:		
Other receivables		
— Receivables from finance leases	282,769	162,435

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



Notes to the Consolidated Financial Statements

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27. Trade and other receivables (Continued)

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

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

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

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

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

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2024, a provision of RMB3,454,760,000 (2023: RMB3,132,683,000) was made against the gross amounts of trade receivables (note 4.1).

- (b) The Group provided short-term loans to several third parties pledged by equity interests of property management and property agency services companies in the PRC held by the corresponding parties. The loans to third parties bear interest rate at 6% to 15% per annum. These loans have a term of 2 to 12 months. The reason for the Group to provide such loans to the third parties is for potential acquisitions of equity interests of property management and property agency services companies. In 2023, one of the equities pledged has been released as a result of the completion of a relative equity acquisition transaction.
- (c) These receivables mainly included current accounts due from third parties, which are mainly interest-free, unsecured and repayable according to contract terms.
- (d) See note 4.1.1 for the Group's policy regarding impairment of trade and other receivables.

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28. Cash and cash equivalents and restricted bank deposits

	At 31 December 2024 RMB'000	2023 RMB'000
Cash at banks (a)	15,897,241	12,939,277
Less: Restricted bank deposits (b)	(560,016)	(302,090)
Cash and cash equivalents	15,337,225	12,637,187

(a) Cash at banks were denominated in the following currencies:

	At 31 December 2024 RMB'000	2023 RMB'000
RMB	11,551,878	12,615,141
HKD	172,271	195,269
Other currencies	4,173,092	128,867
	15,897,241	12,939,277

(b) Restricted bank deposits mainly represent the cash deposits in bank as performance security for property management services according to the requirements of local government authorities, the deposits made as performance security for certain contracts relating to the city services business and judicially frozen funds. As at 31 December 2024, the amount of restricted bank deposits includes RMB5,689,000 (2023: RMB5,385,000) in the frozen bank accounts of Caizhixin Services for its financial guarantee (note 43).



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29. Share capital and share premium

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

- (a) During the year ended 31 December 2024, the Company adopted the share award scheme and a total of 106,880,000 shares were purchased at the consideration of RMB545,443,000. The details refer to note 32.

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

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

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30. Other reserves

	Statutory Reserves RMB'000	FVOCI reserve RMB'000	Currency translation reserve RMB'000	Share- based payments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	522,966	124,978	(36,026)	345,784	(144,786)	812,916
Currency translation differences	—	—	(15,970)	—	—	(15,970)
Changes in fair value of financial assets at FVOCI	—	173,446	—	—	—	173,446
Transactions with non-controlling interests	—	—	—	—	(29,523)	(29,523)
Employees share schemes — value of employee services (note 10)	—	—	—	(202,649)	—	(202,649)
Disposals of financial assets at FVOCI	—	54,555	—	—	—	54,555
Transfer to statutory reserves (a)	131,534	—	—	—	—	131,534
At 31 December 2023 and 1 January 2024	654,500	352,979	(51,996)	143,135	(174,309)	924,309
Currency translation differences	—	—	(8,447)	—	—	(8,447)
Changes in fair value of financial assets at FVOCI	—	113,397	—	—	—	113,397
Transactions with non-controlling interests	—	—	—	—	(45,574)	(45,574)
Employees share schemes — value of employee services (note 10)	—	—	—	123,265	—	123,265
Disposals of financial assets at FVOCI	—	(578,764)	—	—	—	(578,764)
Transfer to statutory reserves (a)	69,290	—	—	—	—	69,290
At 31 December 2024	723,790	(112,388)	(60,443)	266,400	(219,883)	597,476

- (a) Pursuant to the relevant rules and regulations governing foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, the subsidiaries are required to transfer certain portion of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their respective registered capital.



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31. Retained earnings

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At 1 January	8,164,706	9,313,601
Profit for the year	1,808,357	292,335
Disposals of financial assets at FVOCI	578,764	(54,555)
Transfer to statutory reserves (note 30)	(69,290)	(131,534)
Dividends (note 15)	(984,854)	(1,255,141)
At 31 December	9,497,683	8,164,706

32. Share-based payments

Share Option Schemes

On 28 September 2020, the Company adopted the Country Garden Services Holdings Company Limited 2020 Share Option Scheme (the "2020 Share Option Scheme"). Subsequently on 9 July 2024, the Company terminated the 2020 Share Option Scheme and cancel the 24,792,000 outstanding options granted but not yet exercised.

- (a) In September 2020, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 71,500,000 shares of the Company. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested based on the following rates on the date of the audit report of the Group for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year: (i) 40% of the total number of the share options will be vested in the financial year in which the share options are granted (the "Grant Year"); (ii) 30% of the total number of the share options will be vested in the financial year immediately following the Grant Year; and (iii) 30% of the total number of the share options will be vested in the second financial year after the Grant Year. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding percentage of the share options granted will lapse.

All the options under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date at the exercise price of HKD50.07 per share.

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32. Share-based payments (Continued)

Share Option Schemes (Continued)

(a) (continued)

Movements in the number of shares options outstanding are as follows:

	2024		2023	
	Weight average exercise price in HKD	Number of share options	Weight average exercise price in HKD	Number of share options
At 1 January	50.07	25,779,000	50.07	48,566,000
Forfeited	50.07	(2,047,000)	50.07	(22,787,000)
Cancelled	50.07	(23,732,000)	—	—
At 31 December	—	—	50.07	25,779,000
Vested and exercisable at 31 December	—	—	50.07	25,299,000

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Share options outstanding	
			31 December 2024	31 December 2023
28 September 2020	27 September 2025	HKD50.07	—	25,299,000

The weighted average remaining contractual life of options outstanding at the end of the fiscal year 2023 was approximately 1.8 years.

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The Group has to estimate the expected percentage of grantees that will stay within the Group (the “Expected Retention Rate”) of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 31 December 2023, the Expected Retention Rate was assessed to be 83.9%.

- (b) In March 2021, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 1,600,000 shares of the Company. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested based on the following rates on the date of the audit report of the Group for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year: (i) 40% of the total number of the share options will be vested in the financial year in the Grant Year; (ii) 30% of the total number of the share options will be vested in the financial year immediately following the Grant Year; and (iii) 30% of the total number of the share options will be vested in the second financial year after the Grant Year. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding percentage of the share options granted will lapse.



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32. Share-based payments *(Continued)*

Share Option Schemes *(Continued)*

(b) *(continued)*

All the options under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date at the exercise price of HKD72.40 per share.

In March 2022, the share options were cancelled and a total of 1,600,000 share options were granted to the eligible participants, served as replacement share options with the same vesting conditions. All the options regranted under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date in 2022 at the exercise price of HKD50.07 per share.

Movements in the number of shares options outstanding are as follows:

	2024		2023	
	Weight average exercise price in HKD	Number of share options	Weight average exercise price in HKD	Number of share options
At 1 January	50.07	1,120,000	50.07	1,600,000
Forfeited	50.07	(480,000)	50.07	(480,000)
Cancelled	50.07	(640,000)	50.07	—
At 31 December	—	—	50.07	1,120,000
Vested and exercisable at 31 December	—	—	50.07	640,000

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Share options outstanding	
			31 December 2024	31 December 2023
30 March 2022	29 March 2027	HKD50.07	—	640,000

The weighted average remaining contractual life of options outstanding at the end of the fiscal year 2023 was approximately 3.4 years.

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The Group has to estimate the Expected Retention Rate of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 31 December 2023, the Expected Retention Rate was assessed to be 100%.

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32. Share-based payments (Continued)

Share Option Schemes (Continued)

- (c) In March 2022, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 1,640,000 shares of the Company. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested based on the following rates on the date of the audit report of the Group for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year: (i) 40% of the total number of the share options will be vested in the financial year in the Grant Year; (ii) 30% of the total number of the share options will be vested in the financial year immediately following the Grant Year; and (iii) 30% of the total number of the share options will be vested in the second financial year after the Grant Year. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding percentage of the share options granted will lapse.

All the options under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date at the exercise price of HKD50.07 per share.

Movements in the number of shares options outstanding are as follows:

	2024		2023	
	Weight average exercise price in HKD	Number of share options	Weight average exercise price in HKD	Number of share options
At 1 January	50.07	984,000	50.07	1,640,000
Forfeited	50.07	(564,000)	50.07	(656,000)
Cancelled	—	(420,000)	—	—
At 31 December	—	—	50.07	984,000
Vested and exercisable at 31 December	—	—	—	—

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Share options outstanding	
			31 December 2024	31 December 2023
30 March 2022	29 March 2027	HKD50.07	—	—

The weighted average remaining contractual life of options outstanding at the end of fiscal year 2023 was approximately 3.4 years.

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The Group has to estimate the Expected Retention Rate of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 31 December 2023, the Expected Retention Rate was assessed to be 59.2%.



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32. Share-based payments *(Continued)*

Share Option Schemes *(Continued)*

- (d) On 9 July 2024, the same day of the termination of the 2020 Share Option Scheme, the Company adopted the Country Garden Services Holdings Company Limited 2024 Share Option Scheme (the “2024 Share Option Scheme”).

Under the 2024 Share Option Scheme, the Company granted an aggregate of 225,350,000 share options to 60 employee participants which comprise two directors of the Company in July 2024. Pursuant to the terms of the 2024 Share Option Scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested in five batches for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year. Specifically, (i) 25% of the total number of the share options (batch one) will be vested on 1 April 2025 or extend for another year to 1 April 2026 if fail to achieve the 2024 performance condition; (ii) 20% of the total number of the share options (batch two) will be vested on 1 April 2026 or extend for another year to 1 April 2027 if fail to achieve the 2025 performance condition; (iii) 20% of the total number of the share options (batch three) will be vested on 1 April 2027 or extend for another year to 1 April 2028 if fail to achieve the 2026 performance condition; (iv) 20% of the total number of the share options (batch four) will be vested on 1 April 2028 or extend for another year to 1 April 2029 if fail to achieve the 2027 performance condition; and (v) the remaining 15% of the total number of the share options (batch five) will be vested on 1 April 2029 or extend for another year to 1 April 2030 if fail to achieve the 2028 performance condition. If the vesting conditions above have not been fulfilled during the relevant financial year or its respective extension year, the corresponding percentage of the share options granted will lapse.

All the options under the share option scheme should be exercisable after vesting but before the expiry of 10 years after the grant date at the exercise price of HKD5.01 per share.

Movements in the number of shares options outstanding are as follows:

	2024 Weight average exercise price in HKD	Number of share options
At 1 January	—	—
Granted	5.01	225,350,000
Forfeited	5.01	(1,200,000)
At 31 December	5.01	224,150,000

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Share options outstanding 31 December 2024
22 July 2024	21 July 2034	HKD5.01	224,150,000

The weighted average remaining contractual life of options outstanding at the end of the period is approximately 9.6 years.

32. Share-based payments *(Continued)*

Share Option Schemes *(Continued)*

(d) *(Continued)*

The fair value of share options granted is range from HKD2.02 to HKD3.20 (equivalent to RMB1.84 to RMB2.92) per option, which was determined using the Binomial Model by an independent appraiser based on significant unobservable inputs. These inputs include:

Description	Fair value of share options granted	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Share options	HKD581,852,000 (equivalent to RMB531,423,000)	Exercise multiples	2.2-2.8	The higher the exercise multiples, the higher the fair value
		Volatility	70.34%	The higher the volatility, the higher the fair value
		Risk-free interest rate	3.16%	The higher the risk-free interest rate, the higher the fair value
		Dividend yield	0.49%	The lower the dividend yield, the higher the fair value

There were no significant inter-relationships between unobservable inputs that materially affect fair values. The Group recognised the share-based compensation expenses in “General and administrative expenses” for the share options granted to the directors, senior management and employees of the Group.

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

Share Award Scheme

On 18 November 2024, the Company adopted the Share Award Scheme. According to the rules of the Share Award Scheme and the terms of the trust deed, a designated subsidiary of the Company established a trust in the PRC and entrusted the trustee to purchase a total of 109,000,000 shares of the Company on the open market. During the year ended 31 December 2024, a total of 106,880,000 shares were purchased at the consideration of RMB545,443,000 under the Share Award Scheme. Subsequently in January 2025, further 2,120,000 shares were purchased at consideration of RMB11,104,000 under the Share Award Scheme.



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33. Trade and other payables

	At 31 December 2024 RMB'000	2023 RMB'000
Trade payables		
— Related parties (note 40(e))	175,195	210,312
— Third parties	8,458,982	7,005,967
	8,634,177	7,216,279
Other payables		
— Deposits	2,052,592	2,294,108
— Temporary receipts from properties owners	2,985,848	2,873,493
— Provision for financial guarantee (note 43)	46,635	6,598
— Considerations payable for business combinations	9,265	5,499
— Dividend payables	19,642	49,356
— Accruals and others	907,298	800,697
	6,021,280	6,029,751
Contingent considerations for business combinations	118,235	214,683
Payroll payables	3,292,507	3,123,369
Other taxes payables	757,589	852,158
	18,823,788	17,436,240

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

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

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



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34. Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities was as follows:

	At 31 December 2024 RMB'000	2023 RMB'000
Deferred income tax assets:		
— to be recovered within 12 months	492,508	717,170
— to be recovered over 12 months	849,028	415,895
Total deferred tax assets	1,341,536	1,133,065
Set-off of deferred tax liabilities pursuant to set-off provisions	(211,292)	(225,565)
Net deferred tax assets	1,130,244	907,500
Deferred income tax liabilities:		
— to be recovered within 12 months	353,121	619,807
— to be recovered over 12 months	1,457,083	1,490,062
Total deferred tax liabilities	1,810,204	2,109,869
Set-off of deferred tax assets pursuant to set-off provisions	(211,292)	(225,565)
Net deferred tax liabilities	1,598,912	1,884,304

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances, was as follows.

Deferred income tax assets:

	Allowance for impairment of receivables RMB'000	Tax losses RMB'000	Lease liabilities RMB'000	Fair value changes of financial assets RMB'000	Share-based payments RMB'000	Total RMB'000
At 1 January 2023	222,780	82,701	262,861	—	—	568,342
Credited/(charged) to profit or loss	579,761	22,108	(37,146)	—	—	564,723
At 31 December 2023	802,541	104,809	225,715	—	—	1,133,065
At 1 January 2024	802,541	104,809	225,715	—	—	1,133,065
Acquisition of subsidiaries	625	—	—	—	—	625
Disposal of subsidiaries	(1,067)	(116)	—	—	—	(1,183)
Credited/(charged) to profit or loss	93,938	68,582	(10,438)	—	30,816	182,898
Credited to other comprehensive income	—	—	—	26,131	—	26,131
At 31 December 2024	896,037	173,275	215,277	26,131	30,816	1,341,536



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34. Deferred income tax (Continued)

Deferred income tax assets: (Continued)

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 RMB51,779,000 (2023: RMB94,720,000) that can be carried forward against future taxable income. Tax losses of group entities operated in the PRC could be carried forward for a maximum of five years. These tax losses will expire up to year 2029 (2023: 2028).

Deferred income tax liabilities:

	Right-of-use assets RMB'000	Differences on recognition of depreciation RMB'000	Fair value gain from business combination RMB'000	Withholding income tax on profits to be distributed in future RMB'000	Fair value changes of financial assets RMB'000	Contractual service concession arrangements RMB'000	Total RMB'000
At 1 January 2023	(235,697)	(1,437)	(1,902,049)	(158,792)	(43,173)	(16,494)	(2,357,642)
Charged to other comprehensive income	—	—	—	—	(18,274)	—	(18,274)
Credited/(charged) to profit or loss	10,134	(2,089)	265,716	(20,000)	—	12,286	266,047
At 31 December 2023	(225,563)	(3,526)	(1,636,333)	(178,792)	(61,447)	(4,208)	(2,109,869)
At 1 January 2024	(225,563)	(3,526)	(1,636,333)	(178,792)	(61,447)	(4,208)	(2,109,869)
Credited to other comprehensive income	—	—	—	—	68,635	—	68,635
Disposal of subsidiaries	—	—	12,940	—	—	—	12,940
Acquisition of subsidiaries	—	—	(10,991)	—	—	—	(10,991)
Credited/(charged) to profit or loss	14,267	3,197	243,289	(3,115)	(15,706)	(12,851)	229,081
At 31 December 2024	(211,296)	(329)	(1,391,095)	(181,907)	(8,518)	(17,059)	(1,810,204)

As at 31 December 2024, the retained earnings of the Group's PRC subsidiaries not yet remitted to holding companies incorporated outside PRC, for which no deferred income tax liability had been provided, were approximately RMB11,052,804,000 (2023: RMB9,555,087,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management's estimation of overseas funding requirements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

35. Bank and other borrowings

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

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

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

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

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

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

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

36. Cash flow information

(a) Cash generated from operations

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	2,706,706	1,079,650
Adjustments for		
— Depreciation of property, plant and equipment (note 16)	455,260	417,501
— Depreciation of other right-of-use assets (note 17)	177,897	176,901
— Depreciation of investment properties (note 18)	127,533	189,708
— Impairment of goodwill and other intangible assets (note 19)	990,000	1,475,999
— Amortisation of other intangible assets (note 19)	1,227,819	1,140,909
— Losses on disposals of plant, property and equipment, and investment properties (note 8)	25,689	24,894
— Gains from the change of sublease contracts (note 8)	(78,652)	(50,452)
— Gains on disposals of investments accounted for using the equity method (note 8)	(4,009)	—
— Losses/(gains) on early termination of lease contracts (note 8)	4,861	(30,882)
— Realised and unrealised losses/(gains) from financial assets at FVPL (note 8)	18,294	(3,474)
— Fair value change on contingent considerations (note 8)	(531,876)	—
— Employee share schemes — value of employee services (note 10)	123,265	(202,649)
— Share of results of investments accounted for using the equity method (note 21)	11,560	50,921
— Losses/(gains) on disposals of subsidiaries (note 8)	38,589	(69,257)
— Finance income — net (note 11)	(48,155)	(38,181)
— Dividends received from financial assets at FVOCI (note 7)	(76,017)	(166,944)
Changes in working capital (excluding the effects of acquisition and disposals of subsidiaries):		
— Restricted bank deposits	(257,926)	(141,088)
— Inventories	(26,879)	(245,686)
— Trade and other receivables	(1,700,774)	296,812
— Contract assets	(15,148)	(17,737)
— Other current assets	(344,020)	—
— Contract liabilities	635,938	1,609,544
— Trade and other payables	1,459,400	746,344
Cash generated from operations	4,919,355	6,242,833

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

36. Cash flow information *(Continued)*

(b) Non-cash investing and financing activities

Significant non-cash investing and financing activities for the year end 31 December 2024 represented additions of other right-of-use assets amounted to RMB299,230,000 (2023: RMB401,877,000) (note 17), additions of investment properties amounted to RMB478,340,000 (2023: RMB305,326,000) and additions of receivables from finance leases amounted to RMB183,979,000 (2023: RMB216,390,000).

- (c) In the consolidated statements of cash flows, proceeds from disposals of property, plant and equipment, and investment properties comprise:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net book amount	269,789	126,395
Losses on disposals (note 8)	(25,689)	(24,894)
Proceeds from disposals	244,100	101,501

(d) Net cash reconciliation

This section sets out an analysis of net debt and the movements in net debt.

	Other assets	Liabilities from financing activities		
	Cash	Lease	Bank and other	Total
	RMB'000	liabilities	borrowings	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000
Net debt at 1 January 2024	12,637,187	(1,517,679)	(1,569,548)	9,549,960
Cash flows	2,737,419	337,913	826,385	3,901,717
Acquisitions of subsidiaries (note 38)	—	—	(51,982)	(51,982)
Acquisition of new contracts	—	(777,570)	—	(777,570)
Interest expenses accrued	—	(93,989)	(75,111)	(169,100)
Early termination of contracts	—	121,366	—	121,366
Currency translation differences	(37,381)	—	—	(37,381)
Net debt at 31 December 2024	15,337,225	(1,929,959)	(870,256)	12,537,010



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

36. Cash flow information (Continued)

(d) Net cash reconciliation (Continued)

	Other assets	Liabilities from financing activities		Total
	Cash	Lease	Bank and other	
	RMB'000	liabilities	borrowings	RMB'000
		RMB'000	RMB'000	
Net debt at 1 January 2023	11,215,770	(2,266,183)	(2,253,565)	6,696,022
Cash flows	1,466,376	389,286	776,073	2,631,735
Acquisition of new contracts	—	(873,141)	—	(873,141)
Interest expenses accrued	—	(141,761)	(92,056)	(233,817)
Early termination of contracts	—	1,374,120	—	1,374,120
Currency translation differences	(44,959)	—	—	(44,959)
Net debt at 31 December 2023	12,637,187	(1,517,679)	(1,569,548)	9,549,960

37. Commitments

Commitments for capital expenditures

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Contracted but not provided for:		
Property, plant and equipment	832	55,411
Right-of-use assets	440	54,096

38. BUSINESS COMBINATION

During the year ended 31 December 2024, the Group acquired 100% equity interest in Sichuan Hemeng Property Management Co., Limited, 80% equity interest in Baoshihua Human Resources Co., Limited and its subsidiaries, and one property management company from third parties at an aggregated fixed cash consideration of RMB200,144,000. The above acquired companies have been accounted for as subsidiaries of the Group since their respective acquisition dates.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

	2024
	RMB'000
Total purchase consideration	
— Cash consideration	200,144
Interest in joint ventures before acquisition	14,318
Total consideration transferred	214,462
Cash consideration settled in 2024	183,144
Outstanding as at 31 December 2024	17,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

38. BUSINESS COMBINATION *(Continued)*

Total recognised amounts of identifiable assets acquired and liabilities assumed are as follows:

	2024 RMB'000
Property, plant and equipment (note 16)	30,118
Identified contracts and customer relationships and brand (note 19)	43,963
Other intangible assets	65
Investments accounted for using the equity method (note 21)	326
Deferred income tax assets (note 34)	625
Trade and other receivables	300,716
Inventory	72,762
Cash and cash equivalents	59,486
Trade and other payables	(260,944)
Borrowings	(51,982)
Contract liabilities	(22,368)
Current income tax liabilities	(7,570)
Deferred income tax liabilities (note 34)	(10,991)
Total identifiable net assets	154,206
Non-controlling interests	(16,546)
Goodwill (note 19)	76,802
Total identifiable net assets acquired	214,462

Inflow of cash to acquire business, net of cash acquired:

	2024 RMB'000
Partial settlement of cash considerations	183,144
Less: Cash and cash equivalents in the subsidiaries acquired	(59,486)
Offset of the balance of other receivables	(143,000)
Net cash outflow on the acquisition	(19,342)

- (a) Other intangible assets including identified contracts and customer relationships amounting to RMB43,963,000 in relation to the acquisition have been recognised by the Group (note 19).
- (b) The goodwill arose from the acquisition was mainly attributable to the expected synergies from combining the operations of the Group and the acquired entities.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

39. 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
Disposal considerations	106,408	7,338
— Cash received	106,408	2,338
— Outstanding and included in other receivables	—	5,000
Total net assets/(liabilities) of subsidiaries disposed of	117,377	(102,287)
Non-controlling interests disposed of	(27,620)	(40,368)
(Losses)/gains on disposals (note 8)	(38,589)	69,257
Cash proceeds from disposals, net of cash disposed of		
— Cash considerations received	106,408	2,338
— Less: cash and cash equivalents in the subsidiaries disposed of	(57,782)	(31,088)
Net cash inflow/(outflow) on disposals	48,626	(28,750)



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

40. Related party transactions

(a) Ultimate controlling shareholder

The Company is ultimately controlled by Ms. Yang Huiyan (the “Ultimate Controlling Shareholder”).

(b) Transactions with related parties

The Group has entered into the following significant transactions with its related parties:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Provision of services (i)		
— Entities controlled by the Ultimate Controlling Shareholder	365,691	1,139,644
— Entities jointly controlled by the Ultimate Controlling Shareholder	37,994	90,554
— Entities over which the Ultimate Controlling Shareholder has significant influence	73,107	84,630
— Entities controlled by the close relatives of the Ultimate Controlling Shareholder	5,338	13,636
	482,130	1,328,464
Purchase of goods and services		
— Entities controlled by the Ultimate Controlling Shareholder	44,210	45,399
— Entities jointly controlled by the Ultimate Controlling Shareholder	48,664	91,576
— Entities over which the Ultimate Controlling Shareholder has significant influence	17,756	20,530
— Entities controlled by the close relatives of the Ultimate Controlling Shareholder	1,946	3,851
	112,576	161,356

- (i) Since 2023, as the credit risk of certain related parties has increased significantly, the Group only recognised revenue from the related parties according to policies in note 6(c), and no change was made for the fiscal year 2024. For the year ended 31 December 2024, the Group did not recognise revenue without collection of consideration from provision of services to these related parties amounting to RMB151,075,000 (2023: RMB201,315,000).



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

40. Related party transactions *(Continued)*

(b) Transactions with related parties *(Continued)*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Interest expenses on lease liabilities		
— Entities controlled by the Ultimate Controlling Shareholder	—	72,866
Repayment of lease liabilities		
— Entities controlled by the Ultimate Controlling Shareholder	—	135,849
Rental expenses		
— Entities controlled by the Ultimate Controlling Shareholder	10,941	13,659

The prices for the above service fees and goods were determined in accordance with the terms mutually agreed by the contract parties.

(c) Free trademark license agreement

A trademark licencing agreement was entered into between the Company and a subsidiary of Country Garden Holdings Company Limited (“CGH”), Foshan Shunde Country Garden Property Development Company Limited (“佛山市順德區碧桂園物業發展有限公司”) (“Foshan Shunde”) and a deed of trademark licencing was entered into between the Company and CGH (the “Trademark Licencing Arrangement”). Pursuant to the Trademark Licencing Arrangement, Foshan Shunde agreed and CGH would procure Foshan Shunde to irrevocably and unconditionally grant to the Group a non-transferable licence to use several trademarks registered in the PRC and Hong Kong for a perpetual term commencing from the date of the Trademark Licencing Agreement and the deed of trademark licencing, which are subject to the renewal of the licenced trademarks, on a royalty-free basis.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

40. Related party transactions *(Continued)*

(d) Key management compensation

Key management includes directors and senior management. Compensations for key management are set out below:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Salaries and other short-term employee benefits	14,910	14,246
Share-based payments	28,411	—
Fees	1,123	900
Contribution to retirement benefits and other social insurances	389	238
	44,833	15,384

(e) Balances with related parties

	At 31 December	
	2024 RMB'000	2023 RMB'000
Receivables from related parties		
Trade receivables		
— Entities controlled by the Ultimate Controlling Shareholder	2,364,647	2,757,874
— Entities jointly controlled by the Ultimate Controlling Shareholder	71,780	165,454
— Entities over which the Ultimate Controlling Shareholder has significant influence	110,401	70,606
— Entities controlled by the close relatives of the Ultimate Controlling Shareholder	1,741	3,227
	2,548,569	2,997,161



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

40. Related party transactions (Continued)

(e) Balances with related parties (Continued)

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Receivables from related parties		
Less: allowance for impairment of trade receivables from related parties (note 4.1.1)	(1,886,053)	(2,198,613)
	662,516	798,548
Prepayments		
— Entities controlled by the Ultimate Controlling Shareholder	8,786	8,678
— Entities jointly controlled by the Ultimate Controlling Shareholder	276	499
— Entities over which the Ultimate Controlling Shareholder has significant influence	63	5,140
— Entities controlled by the close relatives of the Ultimate Controlling Shareholder	6	—
	9,131	14,317
Payables to related parties		
Trade payables		
— Entities controlled by the Ultimate Controlling Shareholder	153,563	171,161
— Entities jointly controlled by the Ultimate Controlling Shareholder	13,383	26,494
— Entities over which the Ultimate Controlling Shareholder has significant influence	7,725	9,841
— Entities controlled by the close relatives of the Ultimate Controlling Shareholder	524	2,816
	175,195	210,312
Contract liabilities		
— Entities controlled by the Ultimate Controlling Shareholder	109,051	83,459
— Entities jointly controlled by the Ultimate Controlling Shareholder	2,569	8,096
— Entities over which the Ultimate Controlling Shareholder has significant influence	9,386	2,335
— Entities controlled by the close relatives of the Ultimate Controlling Shareholder	269	814
	121,275	94,704

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

41. Statement of financial position and reserve movement of the Company

	At 31 December 2024 RMB'000	2023 RMB'000
Assets		
Non-current assets		
Investments in subsidiaries	463,022	339,757
Property, plant and equipment	3	12
Other receivables	22,450,182	25,945,632
	22,913,207	26,285,401
Current assets		
Cash and cash equivalents	4,135,667	93,080
Dividends receivable	4,176,563	4,137,624
Other receivables	62	98
	8,312,292	4,230,802
Total assets	31,225,499	30,516,203
Equity		
Share capital and share premium	27,067,315	27,066,856
Other reserves	218,384	95,119
Retained earnings	3,897,167	3,347,096
Total equity	31,182,866	30,509,071
Liability		
Current liability		
Other payables	42,633	7,132
Total liability	42,633	7,132
Total equity and liability	31,225,499	30,516,203

The statement of financial position of the Company was approved by the board of directors on 27 March 2025 and was signed on its behalf.

Xu Binhuai

Director

Xiao Hua

Director



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

41. Statement of financial position and reserve movement of the Company

(Continued)

Movement of retained earnings and other reserves of the Company

	Retained earnings RMB'000	Other reserves RMB'000
At 1 January 2023	3,390,478	297,768
Profit for the year	1,211,759	—
Dividends	(1,255,141)	—
Issue of shares under employee scheme	—	(202,649)
At 31 December 2023	3,347,096	95,119
At 1 January 2024	3,347,096	95,119
Profit for the year	1,534,925	—
Dividends	(984,854)	—
Issue of shares under employee scheme	—	123,265
At 31 December 2024	3,897,167	218,384

42. Directors' benefits and interests

Chairman and Non-executive Director

Ms. Yang Huiyan (note (a))

Executive Directors

Mr. Xu Binhuai, President (i)

Mr. Xiao Hua

Mr. Guo Zhanjun (ii)

Independent non-executive Directors

Mr. Mei Wenjue

Mr. Rui Meng

Mr. Chen Weiru

Mr. Zhao Jun (iii)

(i) In October 2023, Mr. Li Changjiang resigned from his position and Mr. Xu Binhuai was appointed as chief executive Director and the president of the Group.

(ii) In April 2024, Mr. Guo Zhanjun resigned from his position and remains as a senior executive of the Group.

(iii) In April 2024, Mr. Zhao Jun was appointed as an independent non-executive Director of the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

42. Directors' benefits and interests *(Continued)*

(a) Directors' emoluments

The directors received emoluments from the Group for the year ended 31 December 2024 as follows:

Name	Fees RMB'000	Salary RMB'000	Contributions to retirement benefits and other social security costs RMB'000	Employee share Schemes- value of employee services RMB'000	Total RMB'000
Executive directors					
Mr. Xu Binhuai	—	3,500	63	8,275	11,838
Mr. Xiao Hua	—	1,860	41	3,448	5,349
Mr. Guo Zhanjun (ii)	—	187	14	—	201
Independent non-executive directors					
Mr. Mei Wenjue	300	—	—	—	300
Mr. Chen Weiru	300	—	—	—	300
Mr. Rui Meng	300	—	—	—	300
Mr. Zhao Jun	223	—	—	—	223
	1,123	5,547	118	11,723	18,511

The directors received emoluments from the Group for the year ended 31 December 2023 as follows:

Name	Fees RMB'000	Salary RMB'000	Contributions to retirement benefits and other social security costs RMB'000	Total RMB'000
Executive directors				
Mr. Li Changjiang (i)	—	5,800	47	5,847
Mr. Xu Binhuai	—	1,500	43	1,543
Mr. Xiao Hua	—	2,030	29	2,059
Mr. Guo Zhanjun	—	1,750	46	1,796
Independent non-executive directors				
Mr. Mei Wenjue	300	—	—	300
Mr. Chen Weiru	300	—	—	300
Mr. Rui Meng	300	—	—	300
	900	11,080	165	12,145

- (i) In 2023, the amount of employee share schemes — value of employee services is nil as the respective share options are not vested due to failure of meeting performance standards.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

42. Directors' benefits and interests *(Continued)*

(a) Directors' emoluments *(Continued)*

The non-executive director, Ms. Yang Huiyan did not receive any emoluments from the Group during the years ended 31 December 2024 and 2023. Ms. Yang Huiyan have made arrangements with the Company under which she has waived or agreed to waive her emoluments.

(b) Directors' retirement benefits

There were no retirement benefits paid to or receivable by directors during the year by defined benefit pension plans operated by the Group (2023: nil).

(c) Directors' termination benefits

There were no director's termination benefits subsisted during the year (2023: nil) and there was no compensation paid during the year 2024 and 2023 or receivable by Mr. Li Changjiang for the loss of office as a director of the Group or any other office in connection with the management of the affairs of any member of the Group.

(d) Consideration provided to third parties for making available directors' services

There was no consideration provided to third parties for making available directors' services subsisted during the year (2023: nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

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

(f) Directors' material interests in transactions, arrangements or contracts

The Chairman and non-executive Director, Ms. Yang Huiyan, is an executive director of CGH. The Group's transactions with CGH and its related entities are set out in note 40.

Save for the aforementioned transactions, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company 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 during the year (2023: nil).



43. Financial guarantee

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

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

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

44. Summary of other potentially material accounting policies

44.1 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group entities 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 in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

44. Summary of other potentially material accounting policies *(Continued)*

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

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (note 44.1.(d)), after initially being recognised at cost.

(c) Joint arrangements

Under HKFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures only.

Interests in joint ventures are accounted for using the equity method (note 44.1.(d)), after initially being recognised at cost.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 44.6.



44. Summary of other potentially material accounting policies *(Continued)*

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

(e) Changes in equity interests

The Group accounts for 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 separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint 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, joint venture 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 HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or 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.

44.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments 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.

44.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. 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 that make strategic decisions.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

44. Summary of other potentially material accounting policies *(Continued)*

44.4 Foreign currency translation

(i) **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.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVOCI are recognised in other comprehensive income.

(iii) **Group entities**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of RMB 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 consolidated statement of profit or loss and other 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.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.



44. Summary of other potentially material accounting policies *(Continued)*

44.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation, net of any impairment losses, if any. 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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses) — net' in profit or loss.

44.6 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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 FVLCD and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

44. Summary of other potentially material accounting policies *(Continued)*

44.7 Investments and other 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 (“OCI”), 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 losses will either be recorded in profit or loss or OCI. 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 FVOCI.

(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.

(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 FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) — net in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

44. Summary of other potentially material accounting policies *(Continued)*

44.8 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.

44.9 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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 at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive 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 borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of individual property owner or the borrower;
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower; and
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

44. Summary of other potentially material accounting policies *(Continued)*

44.9 Impairment of financial assets *(Continued)*

For other receivables, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognize their expected credit losses, as follows:

- | | |
|---------|--|
| Stage 1 | if the credit risk has not increased significantly since its initial recognition, the financial asset is included in Stage 1. |
| Stage 2 | if the credit risk has not increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is included in Stage 2. |
| Stage 3 | if the financial instruments are credit-impaired, the financial instrument is included in Stage 3. |

44.10 Inventories

Inventories 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 applicable variable selling expenses.

44.11 Trade and other receivables

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 of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 4.1.1.

44.12 Cash and cash equivalents and restricted bank deposits

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 banks and 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. Bank deposits which are restricted to use are included in "restricted cash" of the consolidated statement of financial position. Restricted cash are excluded from cash and cash equivalents.



44. Summary of other potentially material accounting policies *(Continued)*

44.13 Share capital

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.

Buy back of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

44.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

44.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

44. Summary of other potentially material accounting policies *(Continued)*

44.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

44.17 Current and deferred income tax

The tax expense for the period comprised current and deferred tax. Tax is recognised in profit or loss, 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.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is 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.



44. Summary of other potentially material accounting policies *(Continued)*

44.17 Current and deferred income tax *(Continued)*

(ii) Deferred income tax *(Continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current 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.

44.18 Employee benefits

(i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group contributes on a monthly basis to various defined contribution benefit plans organised by the relevant governmental authorities. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

(ii) 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 insurance plan. 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.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) When the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of reporting period are discounted to their present value.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

44. Summary of other potentially material accounting policies *(Continued)*

44.18 Employee benefits *(Continued)*

(iv) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

44.19 Share-based payments

Share-based compensation benefits are provided to employees via the Company's share option scheme. Information relating to the scheme is set out in note 32. The fair value of the employee service received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- (i) Including any market performance conditions (e.g. the entity's share price);
- (ii) Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- (iii) Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The grant by the Company of its options to the employees of the subsidiaries of the Group is treated as a capital contribution. The Group recognised the share-based compensation expenses in "General and administrative expenses" for the share options granted to the directors, senior management and employees of the Group and recognised as a deemed distribution to the shareholders in equity (recorded in "Other reserves") for the share options granted to the directors and senior management of related companies, who did not provide significant services to the Group. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.



44. Summary of other potentially material accounting policies *(Continued)*

44.19 Share-based payments *(Continued)*

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the share options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

44.20 Provisions

Provisions for legal claims and other obligations 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 can be 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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

44.21 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in 'Other income'. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in 'Other income'.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

44. Summary of other potentially material accounting policies *(Continued)*

44.22 Dividend income

Dividends are received from financial assets at FVPL and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

44.23 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 profit or loss over the period necessary to match them with the costs that they are intended to compensate.

44.24 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

44.25 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 expected credit loss model under HKFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

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.



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