金科智慧服務集團股份有限公司

Jinke Smart Services Group Co., Ltd.

股份代號 9666.HK

Stock Code 9666.HK

（於中華人民共和國註冊成立的股份有限公司）

(a joint stock company incorporated in the People's Republic of China with limited liability)

金科服務

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ANNUAL REPORT 年度報告 2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Xia Shaofei *(Chairman)*

Non-Executive Directors

Mr. Xu Guofu
Mr. Wu Xiaoli
Ms. Lin Ke
Mr. Shi Cheng
Mr. Qi Shihao

Independent Non-Executive Directors

Ms. Yuan Lin
Ms. Xiao Huilin
Mr. Tung Woon Cheung Eric

SUPERVISORS

Mr. Yu Yong
Mr. Luo Ruifeng
Ms. Ren Wenjuan

JOINT COMPANY SECRETARIES

Ms. Xu Yuanyuan
Mr. Lau Kwok Yin

AUTHORIZED REPRESENTATIVES

Mr. Xia Shaofei
Mr. Lau Kwok Yin

AUDIT COMMITTEE

Mr. Tung Woon Cheung Eric *(chairman)*
Mr. Wu Xiaoli
Ms. Yuan Lin
Ms. Xiao Huilin
Mr. Shi Cheng

REMUNERATION COMMITTEE

Ms. Yuan Lin *(chairlady)*
Mr. Xu Guofu
Mr. Wu Xiaoli
Ms. Xiao Huilin
Mr. Tung Woon Cheung Eric

NOMINATION COMMITTEE

Mr. Xia Shaofei *(chairman)*
Mr. Wu Xiaoli
Ms. Yuan Lin
Ms. Xiao Huilin
Mr. Tung Woon Cheung Eric

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Xu Guofu *(chairman)*
Mr. Xia Shaofei
Ms. Yuan Lin
Ms. Xiao Huilin
Mr. Tung Woon Cheung Eric

CORPORATE INFORMATION

HEADQUARTERS IN THE PRC

Building A4, East Zone
Jinke Shiniancheng
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Chongqing, PRC

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Shima River Street
Jiangbei District
Chongqing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wanchai
Hong Kong

H SHARE REGISTRAR

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAWS

Sidley Austin

PRINCIPAL BANKS

Industrial and Commercial Bank of China,
Chongqing Longhu Branch

China Merchants Banks, Chongqing Branch,
Jinke Shierfang Sub-branch

INVESTOR RELATIONS

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www.jinkeservice.com

STOCK CODE

09666

FINANCIAL SUMMARY

SUMMARY OF THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
Revenue (RMB million)	**4,585.4**	4,979.7
Gross profit (RMB million)	**660.0**	928.2
Gross profit margin	**14.4%**	18.6%
Net loss (RMB million)	**(551.0)**	(981.7)
Net loss margin	**(12.0%)**	(19.7%)
Loss attributable to owners of the Company (RMB million)	**(587.3)**	(951.0)
Basic losses per share (RMB)	**(0.98)**	(1.49)
Return on shareholders' equity (weighted average)	**(16.3%)**	(24.0%)

SUMMARY OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December	
	2024	2023
Total assets (RMB million)	**6,715.4**	7,657.3
Cash and cash equivalents (RMB million)	**2,406.1**	2,905.5
Total equity (RMB million)	**3,381.9**	4,097.2
Gearing ratio	**–**	–

HONORS AND MAJOR EVENTS IN 2024

1	2024 TOP100 Private Enterprises in Chongqing	The Chongqing Federation of Industry and Commerce, Chongqing Economic and Information Technology Commission
2	2024 TOP10 among the TOP100 Property Management Companies in China in Terms of Comprehensive Strength (for the ninth consecutive year)	China Index Academy
3	2024 TOP10 among the TOP100 Property Management Companies in China in Terms of Service Scale	
4	2024 China TOP100 Property Management Companies in Terms of Service Quality	
5	2024 TOP100 Property Management Companies in China in Terms of Leading Satisfaction	
6	2024 China IFM Service Excellent Companies	
7	2024 Outstanding Hospital Property Management Companies in China	
8	2024 Outstanding Education Property Management Companies in China	
9	2024 Leading Companies in China's Property Technology Empowerment	
10	2024 TOP10 Property Management Companies in Chongqing in Terms of Comprehensive Strength	

HONORS AND MAJOR EVENTS IN 2024

1

Winning the national TOP10 for the ninth consecutive year by adhering to the principle of long-term termism

On 18 April, the "2024 Top100 Property Service Companies in China" was officially released. Jinke Services was listed the TOP10 among the "TOP100 Property Service Companies in China" for the ninth consecutive year and successfully ranked among the TOP8; it also ranked second in the two major lists of the "Leading Companies in Satisfaction" and "Leading Companies in Service Quality". At the same time, Jinke Services was also honored as the IFM Service Excellent Companies (No.1), Leading Companies in Technology Empowerment (No. 3), Hospital Property Service Excellent Companies (No. 2), and Education Property Service Excellent Companies (No. 3) and many other honors, and ranked first in Chongqing and Wuxi.

2

High-quality development, honored as the Chongqing Private Enterprises TOP50

On 25 November, the Chongqing Federation of Industry and Commerce, Chongqing Municipal Development & Reform Commission, Chongqing Economic and Information Technology Commission jointly released the "2024 Chongqing Private Enterprises TOP100", and Jinke Services successfully ranked among the TOP50. Established in Chongqing in 2000, expanded nationwide in 2007, and listed on the Hong Kong Stock Exchange in 2020, Jinke Services has traversed a 24-year sustainable development journey. As a leading, high-quality third-party comprehensive service provider in the PRC, Jinke Services persistently drives urban development through exemplary performance and star-rated services, injecting vitality with the development of a private service enterprise.

3

Contribution to the upward development of the industry and re-selection as a vice president member of the CPMI

On 24 December, the sixth general meeting of members of the Chinese Property Management Institute (CPMI) was held in Beijing. The meeting elected the members of the sixth council of the CPMI. Luo Chuansong, vice secretary of the Party committee and executive president of Jinke Smart Services Group, was elected as the vice president of the sixth council of the CPMI. At the same time, Jinke Smart Services Group also became the vice president member of the CPMI again after 2019, contributing to the upward development of the industry with its high-quality services.

4

Jointly with Chongqing Nan'an, striving to be the pioneer in modernized urban governance

On 21 May, Jinke Services and Jiangnan Development Group (江南發展集團), a key state-owned enterprise in Chongqing Nan'an District, solemnly signed an agreement to jointly establish the "Jiangnan Jinyue" urban service platform at the signing event ceremony for investment promotion of the 2024 "Western China International Fair for Investment and Trade (WCIFIT)". By capitalizing on property comprehensive services, smart city services, community life services and group catering services, the two parties focus on "Service+", "Innovation+" and "Smart+" and jointly build "Jiangnan Jinyue" into a nationally renowned and Chongqing's leading urban comprehensive service operator.

HONORS AND MAJOR EVENTS IN 2024

5

From "owner satisfaction" to "owner recommendation", providing a mutual support with more hard-core owners

With industry-leading customer satisfaction and gold reputation, more mature residential communities across the country chose to join Jinke's large community in 2024. Under the crowded welcoming ceremony, Jinke Services has provided a mutual support with the "hard-core owners" from dozens of communities, such as Chongqing Fontaine Island, Beijing Grace Court, Chengdu Greenland, Hangzhou Junwangfu, Wuhan Heya Oriental, Wuxi Jinxi Ruifu, etc., customized their home renewal and upgrading solutions with "caring + joyful" services, and continued to build a warm, quality and happy habitat with long-term meticulous care.

6

IFM ecosystem was upgraded again with star-rated services continuing to attract major customers

In 2024, Jinke Services adhered to the concept of "ascending service and value", and was favored and chosen by more major customers for its high-quality and integrated IFM service solutions. At Guangxi Financial Plaza and other office buildings, we created a privileged business experience with star-rated services; at Hunan Normal University Taohuaping Campus and other colleges and universities, we safeguarded the learning of students with warm hearts; at Jiaxing International Industrial Park, we empowered the efficient production with high-quality services; and at Kweichow Moutai Hospital and other large general hospitals, we stood behind the white-clothed angels to jointly guard the health of the people. No matter where and when, Jinke Services carries out the persistent pursuit of extreme standards into every service detail, and realizes the promise we made at the time of joining together: Your choice, we will make it happen.

7

Insisting on customer-centered, refining services and launching a nationwide training initiative

In April, the national final of Capability Competition of the "Ingenuity for the Future and Intensive Cultivation" was held. Through "2" major trials of professional knowledge and skills, it responded to the "4" service scenarios of customer service, safety, engineering and environment, and focused on the "1" core dimension of customer experience, which was a high-standard service level inspection, and the professional skills and comprehensive strength of the contestants and their teams were comprehensively tested in combination with the actual service conditions.

7

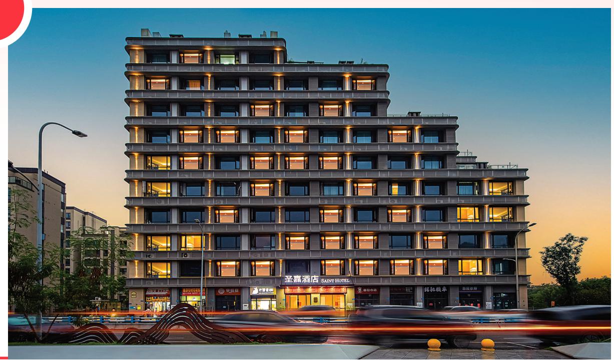
In August, the IFM Project Management Competition of Jinyue Corporate Service All-round Star Program was held. The competition, through multi-dimensional contests such as individual and team showcases, management presentations, knowledge quizzes, thematic debates and online exams, as well as cross-district competition of skills and idea exchange, continuously cultivates versatile IFM management talent. At the event, Jinke Services also grandly released the White Paper for IFM Project Managers of Jinyue Corporate Service, which further enhances the standardization and refinement of IFM services and lay a solid foundation for providing more diversified and high-quality services to customers.

HONORS AND MAJOR EVENTS IN 2024

8

Focusing on development, the hospitality and tourism group opened 13 new branches

In 2024, Jinchen Hospitality & Tourism Group, a subsidiary of Jinke Services, continued focusing on its development. Through light asset models such as full entrustment and brand franchising, the group rapidly deployed its business around the livable hinterland of core cities and popular tourist destinations, and opened 13 branches such as Shengjia Hotel Chongqing Jiangbei Airport Branch. At the same time, Jinchen Hospitality & Tourism Group upgraded its "Huizhuke" service brand by launching "Marathon Friendly Hotel", "Have a Good Local Breakfast", "Tourist Check-in" and other popular services, based on its deep insight into the industry trend and precise grasp of consumer needs, which not only receives the praises of consumers, but also wins the awards of "Quality Service Hotel", "Most Popular Hotel" and so on from many mainstream platforms.



9

Being a responsible enterprise with a warm heart, and partnering with Meituan to create a courier-friendly community

In order to strengthen the protection of the rights and interests of workers in flexible employment and new forms of employment, the social working department of Chongqing Municipal Party Committee has integrated resources and organized the participation of all parties. Jinke Services responded positively by promoting the "Courier-friendly Community" campaign. Jinke Services launched the "One-click Access" function jointly with Meituan in September this year, and enhanced the maintenance of security and order in communities with digital technology to efficiently assist the "Last Mile" delivery of takeout services into the community, thus empowering the joint construction, governance and sharing of a better city and fulfilling the mission of a responsible enterprise.

CHAIRMAN'S STATEMENT

In 2024, China's macroeconomy achieved stable growth through policy initiatives and structural adjustments. However, challenges such as weak domestic demand, risks in the real estate sector, and external shocks persist. The real estate industry has entered a phase of deepened adjustment, with policy focus shifting to the demand side. The transition from developing new markets to focusing on existing markets intensifies the competition in the property management sector. This has compelled property service providers to pay more attention to regional markets and shift from scale-oriented to quality – and efficiency-oriented strategies. In 2024, we remained committed to serving 7 million property owners with a customer-centric approach, partnered with over 1,000 enterprises, and strove alongside tens of thousands of dedicated staff while prioritizing their well-being.

Amid market and industry changes, we take a long-term vision and aim for the transition toward high-quality development and sustainable operation. To focus on core businesses and deepen strategic planning, which is our business approach, we optimized and adjusted our service lines in 2024. After the adjustment, we will further offer quality residential services, corporate services and other services. As one of the earliest third-party property management service providers to embrace market-oriented and independent operation, we continuously elevate our business philosophy and service standards. Being capable of offering high-quality, refined management, we have gained industry-leading customer satisfaction and a strong market reputation, solidifying our competitive edge in third-party project acquisition.

In terms of residential services, leveraging the vast potential of existing residential market, we have established a nationwide strategic presence across 163 cities in 26 provinces or municipalities. We have launched the "Better Homes Plan (美好家園計劃)" for existing residential market. By focusing on community quality enhancement and leveraging our industry-leading service capabilities and brand strengths, we are active to secure high-quality residential projects from independent third parties, fostering a market-driven, independent and sustainable development model. Concurrently, we proactively exit underperforming projects and improve the quality and efficiency of retained portfolios to ensure the Group's sustainable growth.

In terms of corporate services, we attach great importance to innovative service models and build an integrated facility management (IFM) model. Our providing diversified and customized services to customers will further reinforce our leading position in the property service industry. We concentrate on cultivating premium client relationships and offering them professional and efficient services. We have benefited from the Group's new development model regarding IFM supporting services and catering services. The synergies between these IFM-powered operations act as a moat for the Group's business expansion of corporate services.

Looking ahead, we will remain anchored in efficiency – and customer-centricity, pursuing high-quality development under the business strategy of "revenue shall generate profit and profit shall contain cash flow". By optimizing market strategies, upgrading service brands, empowering operations with technology, and enhancing organizational management, we aim to reach new heights in independent, market-driven growth.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a leading, high-quality third party comprehensive service provider in the PRC and ranked the first in the Southwestern China Region. The Group has a comprehensive service product matrix covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction, and urban services. Through its full cycle residential services and Integrated Facility Management (the "**IFM**") ecology enterprise services, we provided one-stop, all-time high quality services to various customers.

With its industry-leading overall strength and brand influence, the Group was recognized by the China Index Academy ("**CIA**") as one of the "Top 10 among the Top 100 China Property Management Companies in terms of Overall Strength" (中國物業服務百強企業綜合實力 Top10) for nine consecutive years. In 2024, due to its leading service quality, the Group was recognized as one of the "Top 2 among the Top 100 China Leading Property Management Companies in terms of Quality Service" (中國物業服務百強服務質量領先企業 Top 2) by CIA. Relying on our all-round service capability in multiple industries, we were on the top lists in IFM services, commercial and enterprise services, urban services, hospital and property services. IFM services received special honor. The Group was recognized by the CIA as the Top 1 distinguished China IFM services company in 2024. Based on our industry-leading smart living technology strength, we were recognized as one of the "Top 2 Leading Enterprises in China in terms of Property Technology Empowerment" (中國物業科技賦能領先企業 Top 2) by CIA. We insisted on our urban density strategy and were recognized by the CIA as one of the "Top 10 in terms of Comprehensive Strength among Property Service Enterprises" (物業服務企業綜合實力 Top10) in Chongqing and Wuxi.

In 2024, China's economy maintained a steady and progressive development trend amidst complex internal and external environments. The real estate market continued to be sluggish. Despite increased support from national policies, it will take some time for the market to stabilize substantially. As the real estate market adjusts, the growth rate of the property services industry has slowed. In response, the Group remains committed to focusing on our core business, continuously deepening our presence in key regions and cities. During this period of industry adjustment in 2024, our management adheres to the "Density + Condensation" strategy, strictly controlling project acceptance and decisively exiting low-quality and inefficient projects to ensure high-quality business development. Simultaneously, our group is enhancing two central aspects: efficiency and customer-centricity, actively promoting projects with "two guarantees, two enhancements, and three reductions," focusing on frontline projects to efficiently address customer issues.

OUTLOOK AND FUTURE PLANS

The overall Chinese real estate market is still in an adjustment phase, gradually shifting from incremental growth to stock competition. The market size of the property management industry continues to expand, but the growth rate is slowing. Intensified market competition has led property companies to place greater emphasis on regional deepening and urban focus. Additionally, there is a shift from scale-first to efficiency-first, continuously optimizing project portfolios and reducing costs through streamlined organizational structures.

Our Group, in line with market and industry changes, continues to advance the "Service + Ecology, Service + Technology" strategy, focusing on "high-quality development." We adhere to the business strategy of "revenue with profit, profit with cash flow." Through optimizing market layout, upgrading service brands, strengthening technological empowerment, and enhancing organizational management, we aim to reach new heights of independent and market-oriented development, becoming a leading high-quality third-party comprehensive service provider nationwide.

For residential services, the Group is committed to high-quality and sustainable development. Using the "Better Homes Plan" as a starting point, we are deepening the integrated management model of front and back ends, continuously focusing on core cities in the Southwest and Yangtze River Economic Belt, and enhancing the condensation of street communities in existing projects. We always consider customer satisfaction and needs as the core of property management services, continuously consolidating high-quality service capabilities and enhancing professional service capabilities across multiple business formats to provide strong support for the value preservation and appreciation of customer assets. We will strengthen project operation efficiency and full lifecycle management, strictly implement tiered project management, accelerate the intelligent upgrade of projects, and further promote effective cost reduction. We pursue high-quality scale expansion, value market expansion assessments, and will orderly exit projects with poor performance to ensure the long-term stable development of the Group. In the existing residential market, we are launching the "Better Homes Plan," focusing on the expansion of high-quality existing communities. At the same time, we adhere to a prudent merger and acquisition strategy, focusing on boutique third-party property management companies with high overlap with our existing advantageous regions.

For enterprise services, we insist on innovative service models, creating a new model of comprehensive Integrated Facility Management (IFM) services. By meeting the diverse needs of customers and enhancing service added value, we consolidate our leading position in the property services industry. For corporate clients, we provide integrated and customized new models of comprehensive IFM services, meeting diverse and efficient logistical service needs through integrated services. We will continue to utilize customized new models of comprehensive IFM services to enhance service management efficiency, further achieve cost reduction and efficiency improvement, flexibly meet the diverse service needs of customers, and enhance customer stickiness by continuously improving the added value of full-cycle management services. Additionally, we will strive to gain insight on new demands from corporate clients, enrich service content, and promote the comprehensive upgrade of the IFM ecosystem for enterprise services.

FINANCIAL REVIEW

Revenue

In order to implement the Group's operating policy of focusing on its principal businesses and deepening its strategic layout in 2024, the Group has adjusted its business lines: (i) classified the original space property management services and community value-added services into "residential property services" and "enterprise services" according to the service formats of the projects; (ii) consolidated the original group catering business of the local catering services into enterprise services to further strengthen the advantages of IFM services; and (iii) consolidated other non-core businesses into "other services" to enhance the concentration of service resources. After the adjustment, the Group's revenue in 2024 were generated from three major business lines: (i) residential property services; (ii) enterprise services; and (iii) other services. Comparative figures for the year ended 31 December 2023 have also been restated to a consistent basis of comparison as if the Group's business lines had been adjusted at the beginning of that period.

During the Year, the Group derived its revenue from three business lines, namely (i) residential property services; (ii) enterprise services; and (iii) other services.

The following table sets forth the details of the Group's total revenue by business line for the year indicated:

	For the year ended 31 December			
	2024		2023	
	(RMB'000)	%	*(RMB'000)*	%
Residential property services	**3,343,045**	**72.9**	3,457,993	69.5
– Property management services	**3,073,615**	**67.0**	3,096,285	62.3
– Diversified value-added services	**227,425**	**5.0**	206,352	4.1
– Non-property owners value-added services	**42,005**	**0.9**	155,356	3.1
Enterprise services	**1,002,717**	**21.9**	1,146,743	23.0
Other services	**239,673**	**5.2**	375,005	7.5
Total	**4,585,435**	**100.0**	4,979,741	100.0

The Group's revenue in 2024 decreased as compared with 2023. The details of change of revenue by business line are set out as below:

(i) Revenue from residential property services slightly decreased by approximately 3.3% from RMB3,458.0 million for the year ended 31 December 2023 to RMB3,343.0 million for the year ended 31 December 2024. Among which, (a) revenue from property management services slightly decreased by approximately 0.7% from approximately RMB3,096.3 million in 2023 to approximately RMB3,073.6 million, which was primarily driven by the Group's continued withdraw from the projects which were of low quality. The Group withdrew the residential gross floor area (the "**GFA**") under management of approximately 19.2 million square metres (the "**sq.m.**") throughout the year. As of the end of the Year, the residential GFA under management decreased to approximately 207.4 million sq.m.; (b) revenue from diversified value-added services increased by approximately 10.2% to RMB227.4 million from RMB206.4 million in 2023, primarily due to the fact that the Group conducted diversified value-added services based on the needs of property owners and precise positioning of its own resources, through the use of existing community resources, especially the active operation of debt settlement parking spaces, to increase temporary parking income, expand existing value-added services, improve profitability and enhance owner stickiness; (c) revenue from non-property owners value-added services decreased by approximately 73.0% from RMB155.4 million in 2023 to RMB42.0 million, which was primarily due to the impacts of the serious liquidity crisis in the property industry. The Group took the initiative to significantly reduce the number of projects for which it provided sales assistance services to real estate developers including Jinke Property Group during the Year, and instead focused on projects with guaranteed returns, as well as related services necessary for guaranteed delivery of buildings.

(ii) Revenue from enterprise services decreased by approximately 12.6% from RMB1,146.7 million for the year ended 31 December 2023 to RMB1,002.7 million for the year ended 31 December 2024, mainly due to the fact that the Group focused on sustainable businesses with guaranteed cash flows. The Group withdrew from approximately 145 enterprise services projects throughout the Year. As at the end of the Year, the Group had approximately 360 enterprise services projects under management.

(iii) Revenue from other services decreased by approximately 36.1% from RMB375.0 million for the year ended 31 December 2023 to RMB239.7 million for the year ended 31 December 2024, mainly due to the fact that affected by the macroeconomy and consumer demand weakened, the Group adopted a targeted approach to focus on its core businesses, optimize resource allocation, and strategically scale back non-core operations for which returns were not guaranteed.

Revenue from residential property services

Residential property services mainly consisted of (i) property management services; (ii) diversified value-added services; and (iii) non-property owners value-added services.

Revenue from property management services

We provide comprehensive services for urban multi-dimensional spaces with ubiquitous five-star care. We are committed to serving our clients compassionately and allow customers to enjoy a better-quality service experience. As the earliest market-oriented and independent third-party property management service provider in the industry, we continuously improve our operation concepts and service standards, thus accumulating industry-leading owner satisfaction and good market reputation and assisting us in building an industry-leading third-party external expansion capability through the high-quality and refined management capabilities.

With relatively good stability and anti-risk ability, the residential projects have the characteristics of "rigid demand + long-term cycle" and are the ballast for our sustainable development. At the same time, we aimed at the vast residential stock market, and relied on our high-quality service and brand capabilities to actively obtain existing high-quality residential projects. As at 31 December 2024, the Group has completed a national strategic layout in 26 provinces and 163 cities in the PRC. We managed a total of 757 residential projects. The total residential GFA under management was approximately 207.4 million sq.m.. The residential GFA under management in the core area of the Southwestern China Region reached 115.8 million sq.m., accounting for 55.9% of the total residential GFA under management, with a significant regional density strength. As at 31 December 2024, the total contracted residential GFA of the Group was approximately 226.9 million sq.m..

The Group adhered to the path of independent and high-quality development and selectively carried out market expansion. In 2024, the newly added residential GFA under management was approximately 14.9 million sq.m., representing a decrease of approximately 58.4% as compared to that of 2023. The number of newly added projects with annual saturation revenue over RMB10 million and RMB5 million was 6 and 14, respectively. For the existing residential market, the Group proposed the Better Homes Plan (美好家園計劃). With the improvement of community quality as the entry point, and relying on industry-leading brand and service capabilities, the Group actively obtained over 40 existing high-quality residential projects from parties (the "**Independent Third Party(ies)**") independent of the Group, forming a market-oriented and independent sustainable development model.

In addition, in 2024, the Group resolutely implemented the business idea of "revenue shall generate profit and profit shall contain cash flow" and continued to exit projects with low quality and efficiency, low collection rates and negative contribution. In the Year, the Group exited the projects with residential GFA under management of approximately 19.2 million sq.m., including resettlement property projects due to changes in contractual relationships and the residential projects that cannot be guaranteed for payment collection. We believe that the active exit from projects with negative contribution is the only way to high-quality development. Through the improvement of quality and efficiency of projects under management, it will help the Group achieve sustainable and sound development.

In terms of mergers and acquisitions, we believe that the valuation of industry mergers and acquisitions has gradually returned to rationality. With sufficient cash on hand, the Group will continue to pay attention to mergers and acquisitions opportunities in property service projects. We will focus on Independent Third Parties boutique property targets in the core areas of our management.

As of 31 December 2024, the average unit price of property management for residential property services of the Group maintained at RMB2.14 per sq.m./month (2023: RMB2.12 per sq.m./month). The Group's resident properties' combined collection rate of property management for residential property services was 90.4% for the Year (2023: 91.1%).

The table below indicates the changes for our contracted residential GFA and GFA under management for the years ended 31 December 2024 and 2023 respectively:

	For the year ended 31 December			
	2024		2023	
	Contracted GFA *(sq.m.'000)*	**GFA under management** *(sq.m.'000)*	Contracted GFA *(sq.m.'000)*	GFA under management *(sq.m.'000)*
As at the beginning of the year	**242,354**	**211,716**	244,722	193,359
New engagements[(1)]	**11,347**	**14,870**	19,915	35,758
– Properties developed by Jinke Property Group and its joint ventures and associates	**1,180**	**4,546**	632	13,978
– Properties developed by Independent Third Parties	**9,002**	**9,786**	11,935	15,248
– Properties took over upon mergers & acquisitions[(2)]	**1,165**	**538**	7,348	6,532
Terminations[(3)]	**(26,821)**	**(19,228)**	(22,283)	(17,401)
	226,880	**207,358**	242,354	211,716

Notes:

(1) With respect to residential communities under our management, new engagements primarily include preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.

(2) During the Year, the new GFA acquired was mainly due to the continuous delivery of projects acquired in the previous phase.

(3) Such terminations include (a) non-renewal of certain property management service contracts upon expiration due to reallocation of our resources to high-quality projects in order to optimize our portfolio of property management projects; (b) voluntary exit of property management service contracts, which are generally characterized by low operational quality, low fee collection rates, and low real estate depreciation rates; and (c) passive termination of property management service contracts, which are due to the impact of the sluggish performance of the real estate market, where some property developers or asset holders who faced relatively severe periodic cash flow shortages, either chose to terminate the professional property services and replace them with self-management, or halted the construction work of the phased projects which were in a state of dilapidation, which had a far-reaching negative impact on the development of the Group's subsequent services.

The following table sets forth a breakdown of the GFA under management under property management services as at the dates indicated and total revenue from the provision of property management services by type of property developer for the years indicated:

	As at or for the year ended 31 December			
	2024		2023	
	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*
Properties developed by Jinke Property Group[(1)]	**97,817**	**1,514,745**	100,637	1,652,781
Properties developed by Jinke Property Group's joint ventures and associates[(2)]	**18,642**	**285,942**	17,933	297,003
Properties developed by Independent Third Parties[(3)]	**69,343**	**872,556**	70,531	823,018
Properties took over upon mergers & acquisitions[(4)]	**21,556**	**400,372**	22,615	323,483
Total	**207,358**	**3,073,615**	211,716	3,096,285

Notes:

(1) Refer to properties developed by Jinke Property Group through its wholly-owned subsidiaries or properties jointly developed by Jinke Property Group and other property developers (excluding properties developed by Jinke Property Group's joint ventures and associates) in which Jinke Property Group held a controlling interest.

(2) Refer to properties developed by Jinke Property Group's joint venture and associates, in which Jinke Property Group did not hold a controlling interest.

(3) Refer to properties solely developed by third-party property developers independent from Jinke Property Group.

(4) Refer to properties acquired through a property right transaction to gain control of the acquired party and then incorporated into the Group's operation and management.

To facilitate management, we divided its geographic coverage into three major regions in China, namely, the Southwestern China Region, the Eastern and Southern China Region, the Central China Region and other regions. The table below sets forth a breakdown of the Group's total residential GFA under management as at the dates and revenue from property management services for the year indicated by geographic regions:

	As at or for the year ended 31 December			
	2024		2023	
	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*
Southwestern China Region[(1)]	**115,841**	**1,848,521**	116,572	1,867,083
Eastern and Southern China Region[(2)]	**46,433**	**676,633**	52,031	659,963
Central China Region[(3)]	**26,016**	**268,665**	25,114	305,010
Other regions[(4)]	**19,068**	**279,796**	17,999	264,229
Total	**207,358**	**3,073,615**	211,716	3,096,285

Notes:

(1) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Southwestern China Region include Sichuan province, Guizhou province, Yunnan province, Tibet Autonomous Region and Chongqing municipality.

(2) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Eastern and Southern China Region include Jiangsu province, Zhejiang province, Fujian province, Jiangxi province, Shandong province, Anhui province, Guangdong province, Hainan province, Guangxi Zhuang Autonomous Region and Shanghai municipality.

(3) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Central China Region include Henan province, Hubei province and Hunan province.

(4) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in other regions include Hebei province, Shanxi province, Shaanxi province, Gansu province, Qinghai province, Liaoning province, Heilongjiang province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region, Beijing and Tianjin municipalities.

Revenue from diversified value-added services

The Group provides diversified value-added services to property owners and residents, primarily in the form of (i) community management services, which are mainly consisted of management of public resources (leasing of public spaces, for instance), temporary parking services and community media services; and (ii) home-living services, mainly consisted of community group purchase, household cleaning services and home delivery services. During the Year, revenue from diversified value-added services increased by approximately 10.2% from RMB206.4 million in 2023 to RMB227.4 million.

The Group acquired right-of-use assets of parking spaces from Jinke Property Group through the debt settlement arrangement, and continued to revitalize assets in 2024, actively carrying out temporary parking services to increase the Group's income from diversified value-added services and improve the cash flow of the Group.

Revenue from non-property owners value-added services

We provide value-added services to non-property owners primarily in the form of (i) sales assistance services; (ii) pre-delivery services; and (iii) consultancy and other services. Due to the continuous downturn of the real estate industry and the liquidity crisis of real estate developers, the Group has proactively and significantly reduced the number of projects for which it provides sales assistance services to developers during the year of 2024, and the number of projects under management at the end of the Year was significantly reduced to 33, among which 27 were those with sales assistance services provided to the Independent Third Parties. The Group focused on businesses with guaranteed cash flow and returns, or those that must be taken over by guaranteed delivery arrangements. During the Year, revenue from non-property owners value-added services was approximately RMB42.0 million, representing a decrease of approximately 73.0% as compared with RMB155.4 million in 2023.

Revenue from enterprise services

The Group provides enterprise services to clients, primarily in the form of (i) non-residential property management services; and (ii) group catering services.

As at 31 December 2024, the Group has completed a national strategic layout in 29 provinces and 85 cities in the PRC, the enterprise services projects under management was approximately 360, of which approximately 97.6% was attributable to Independent Third Parties. The enterprise services projects under management in the core area of Southwestern China Region reached 194, accounting for approximately 53.8% of the projects under management, with a significant regional density strength. During the Year, revenue from enterprise services was approximately RMB1,002.7 million, representing a decrease of approximately 12.6% as compared with RMB1,146.7 million in 2023.

Benefiting from the Group's new development model of the comprehensive logistics services of IFM and catering services, the Group had approximately 100 new corporate contracts during the Year, of which over 4 projects were synergy business of IFM models. The synergies between the businesses further emerged, and a moat was gradually established for the Group's enterprise services business expansion.

In the Year, the Group exited from 145 enterprise services projects. We believe that the active exit from projects with negative contribution is the only way to high-quality development. Through the improvement of quality and efficiency of projects under management, it will be conducive to the sustainable and sound development of the Group.

Revenue from other services

Other services provided by the Group to customers primarily in the form of: (i) hotel management services, (ii) catering supply chain services (e.g. food supply chain services for items such as rice, flour, grain and oil), (iii) asset operation services, which primarily include sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services, and (iv) smart living technology solutions, mainly providing digital and intelligent technology solutions to property management companies, external clients like enterprises and public institutions, and property developers. During the Year, revenue from other services amounted to approximately RMB239.7 million, representing a decrease of approximately 36.1% from RMB375.0 million in 2023, which was mainly due to the fact that the Group focused on its main business and reduced investment in other services.

Cost of sales

The Group's cost of sales primarily consists of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) security charges; (iv) utilities; (v) maintenance costs; (vi) consumables, food, beverages and raw materials; (vii) sub-contract expenses for certain services; (viii) depreciation and amortization expenses; (ix) office expenses; (x) travelling and entertainment expenses; (xi) community activities expenses; and (xii) other costs.

The cost of sales of the Group amounted to approximately RMB3,925.4 million for the year ended 31 December 2024, representing a decrease of approximately 3.1% from RMB4,051.6 million in 2023, which was mainly due to the fact that the Group focused on its principal business and focused on high-quality projects, and strategically scaled back non-core businesses for which returns were not guaranteed.

Gross Profit and Gross Profit Margin

The following table sets forth the components of the Group's gross profit and gross profit margin by business line for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	(RMB'000)	***%***	*(RMB'000)*	*%*
Residential property services	**551,206**	**16.5**	686,229	19.8
– Property management services	**411,017**	**13.4**	540,156	17.4
– Diversified value-added services	**135,441**	**59.6**	127,559	61.8
– Non-property owners value-added services	**4,748**	**11.3**	18,514	11.9
Enterprise services	**95,784**	**9.6**	157,323	13.7
Other services	**13,024**	**5.4**	84,625	22.6
Total	**660,014**	**14.4**	928,177	18.6

Gross profit of the Group decreased by approximately 28.9% from approximately RMB928.2 million for the year ended 31 December 2023 to approximately RMB660.0 million for the year ended 31 December 2024. The consolidated gross profit margin of the Group decreased by 4.2 percentage points to approximately 14.4% for the year ended 31 December 2024 from approximately 18.6% in 2023.

During the Year, the gross profit of residential property services decreased by approximately 19.7% to approximately RMB551.2 million for the year ended 31 December 2024 from approximately RMB686.2 million in 2023, and gross profit margin decreased by 3.3 percentage points to approximately 16.5% from approximately 19.8% in 2023, among which:

(i) the gross profit of property management services decreased by approximately 23.9% to approximately RMB411.0 million for the year ended 31 December 2024 from approximately RMB540.2 million in 2023, and gross profit margin decreased by 4.0 percentage points to approximately 13.4% from approximately 17.4% in 2023. Such decreases were primarily attributable to (a) in accordance with prudence principle, the Group does not recognize revenue for customers exhibiting material credit risk deterioration and critically low debt servicing ability; (b) the increase in one-off expenses incurred by the Group as a result of the Group's proactive withdrawal from certain negative contribution projects in continued adherence to the business philosophy of "revenue shall generate profit and profit shall contain cash flow"; (c) the Better Homes Plan launched by the Group, for which, the Group increased investment in the maintenance and quality improvement of high-quality existing projects; and (d) the amortization expenses of the Group of intangible assets and customer relationship arising from mergers and acquisitions of property companies;

(ii) the gross profit of diversified value-added services increased by approximately 6.2% to approximately RMB135.4 million for the year ended 31 December 2024 from approximately RMB127.6 million in 2023, and gross profit margin decreased by 2.2 percentage points to approximately 59.6% from approximately 61.8% in 2023. Such decreases were primarily due to (a) the increase in gross profit as the Group actively launched the temporary parking service for debt settlement parking spaces based on the concept of revitalizing assets; and (b) the fact that the Group reconstructed the diversified business ecosystem through platform-based operation, which led to a slight decrease in the gross profit margin, but a steady expansion in the business scale;

(iii) the gross profit of non-property owners value-added services decreased by approximately 74.4% to approximately RMB4.7 million for the year ended 31 December 2024 from approximately RMB18.5 million in 2023, and gross profit margin decreased by 0.6 percentage point to approximately 11.3% from approximately 11.9% in 2023. Such decreases were primarily due to that the Group adhered to the path of high-quality development and took the initiative to significantly reduce the number of projects in relation to provision of sales assistance services to real estate developers in liquidity crisis during the Year. At the same time, in line with the national policy of "guaranteeing the delivery of buildings and stabilizing people's livelihood" (保交樓、穩民生), the Group still provided the necessary services for certain of these projects guaranteeing the delivery of buildings, which had a lower gross profit of this business.

The gross profit of enterprise services decreased by approximately 39.1% to approximately RMB95.8 million for the year ended 31 December 2024 from approximately RMB157.3 million in 2023, and gross profit margin decreased by 4.1 percentage points to approximately 9.6% from approximately 13.7% in 2023. Such decreases were primarily due to (a) the fact that the Group strategically scaled down and exited from low-quality projects subject to the impact of the macro-economy, and focused on the development of high-quality customer service capabilities, so as to lay a solid foundation for profitability recovery in the medium and long term; and (b) the amortization expenses of the Group of intangible assets and customer relationship arising from mergers and acquisitions of group catering companies and capital investments in previous years.

The gross profit of other services decreased by approximately 84.6% to approximately RMB13.0 million for the year ended 31 December 2024 from approximately RMB84.6 million in 2023, and gross profit margin decreased by 17.2 percentage points to approximately 5.4% from approximately 22.6% in 2023. Such decreases were primarily due to the Group's strategic adjustment, focusing on its principal business, optimizing resource allocation, and strategically scaling back non-core businesses for which returns were not guaranteed, which led to the decrease in gross profit.

Net Impairment Loss on Financial Assets

The net impairment loss of the Group's financial assets decreased by approximately 62.2% from approximately RMB1,470.6 million for the year ended 31 December 2023 to approximately RMB556.6 million for the year ended 31 December 2024. Such net losses for the Year was mainly due to that taking into consideration the latest operations of the related party Jinke Property Group, the Group has made an impairment provision again for the outstanding receivables owed by Jinke Property Group to the Group, and in addition, the Group made an impairment provision for the receivables from the withdrawn projects with poor recovery rate.

Other Net Losses

The Group's other net losses primarily consist of (i) impairment of goodwill; (ii) impairment of other assets. The Group's other net losses decreased by approximately 61.1% from approximately RMB166.4 million for the year ended 31 December 2023 to approximately RMB64.7 million for the year ended 31 December 2024. Such net losses was mainly because the Group, for prudence purpose, continued to make provisions for the impairment of goodwill recorded by the property management companies and group catering companies acquired during the historical period, but the amount of impairment decreased as compared to 2023, due to the impact of the macro-economy.

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee benefit expenses for administrative staff; (ii) traveling and entertainment expenses; (iii) depreciation and amortization expenses; (iv) bank and other payment platform charges, which mainly include transaction fees charged by banks and payment platforms; and (v) others, which mainly include consultancy service fees. Administrative expenses of the Group increased slightly by 1.9% from approximately RMB602.8 million for the year ended 31 December 2023 to approximately RMB614.2 million for the year ended 31 December 2024, which were primarily due to (i) the Group provided stock-based incentives to senior employees; and (ii) the increase in depreciation and amortization expenses due to an increase in the capital expenditure of the Group.

Income tax expenses/(credit)

The Group's income tax expenses/(credit) represents PRC corporate income tax. The Group's income tax position movement reflects an increase from income tax credit of RMB(137.9) million for the year ended 31 December 2023 to income tax expenses of RMB4.2 million for the year ended 31 December 2024, which was primarily due to the decrease in impairment losses made by the Group as compared with 2023, resulting in a decrease in deferred income tax credit.

Intangible Assets

The Group's intangible assets primarily consist of customer relationship, goodwill and software patent. The intangible assets of the Group decreased by approximately 20.1% from RMB614.0 million as at 31 December 2023 to RMB490.3 million as at 31 December 2024, mainly due to the amortization and impairment of approximately RMB118.1 million in customer relationship and goodwill arising from acquisitions during the historical periods.

Trade and Bill Receivables

Carrying balance of trade and bill receivables of the Group decreased by approximately 6.5% from RMB2,931.4 million as at 31 December 2023 to RMB2,740.1 million as at 31 December 2024, and provision for impairment of trade and bill receivables increased from RMB1,385.0 million as at 31 December 2023 to RMB1,614.8 million as at 31 December 2024. Trade receivables mainly arise from the residential property services. The Group has made reasonable impairment provision for customers with poor reputation for prudence purpose, the receivables mainly include property service charges owned by private property owners after the provision was made. The Group will pay close attention to the balance of trade receivables by strengthening special work of settlement of property fees for private property owners and by properly handling the shortage of funds owed by real estate developers to minimize losses through offsetting receivables by assets and other forms.

Loan Receivables

Loan receivables of the Group represents the loan in the principal amount of RMB1,500 million provided to Jinke Property. The loan receivables of the Group decreased from RMB372.2 million as at 31 December 2023 to RMB308.5 million as at 31 December 2024, mainly due to that as Jinke Property Group had not fulfilled its loan repayment obligations, taking into consideration of subsequent scenarios weightings, the possible bankruptcy and reorganization plans of Jinke Property Group, degree of judicial auction and the impact of macroeconomic environment, the Group made a further impairment provision of approximately RMB86.6 million for this loan receivables during the Year.

Trade and Bill Payables

Trade and bill payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers, including service fees and cost of materials. Trade and bill payables of the Group decreased by approximately 9.9% from RMB1,123.6 million as at 31 December 2023 to RMB1,012.8 million as at 31 December 2024, mainly because the Group scales down in the payment cycle of trade payables from the Independent Third Parties in order to obtain lower service prices from suppliers.

Other Payables

The Group's other payables primarily consist of (i) equity acquisition payables to the Independent Third Parties; (ii) deposit guarantee payable to various Independent Third Parties including but not limited to the performance guarantee deposit to suppliers and decoration quality guarantee deposit for small individual property owners. Other payables of the Group decreased by approximately 5.3% from RMB928.8 million as at 31 December 2023 to RMB879.3 million as at 31 December 2024, mainly attributable to the payment by the Group of certain equity payables due to historical acquisitions.

Contract Liabilities

Contract liabilities primarily consist of advances of property management fees and other service fees. The Group's contract liabilities slightly increased by approximately 0.9% from approximately RMB880.7 million as at 31 December 2023 to approximately RMB888.4 million as at 31 December 2024, mainly due to leading customer satisfaction of the Group within the industry and the increase in the prepayment of property management fees by private property owners at the end of Year.

Liquidity and Capital Resources

The Group met and expects to continue meeting its operating capital, capital expenditure and other capital needs with cash generated from operations and proceeds from the Listing.

Cash Position

As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB2,406.1 million (31 December 2023: approximately RMB2,905.5 million).

Cash Flows

For the year ended 31 December 2024, the Group's net cash inflow from operating activities was approximately RMB244.6 million, representing a decrease as compared to 2023, which was mainly attributable to that the Group gradually scales down in the payment cycle from the suppliers in order to obtain lower service prices in the future, and the payment to suppliers increased in the Year.

For the year ended 31 December 2024, the Group's net cash outflow from investing activities was approximately RMB390.4 million, representing an increase as compared to 2023, mainly attributable to the increase in purchase of financial assets such as term deposits by the Group.

For the year ended 31 December 2024, the net cash outflow from the Group's financing activities was approximately RMB347.5 million, mainly due to the expenses for the Group's continuous repurchase of Shares of the Company.

Indebtedness

Borrowings

As at 31 December 2024, the Group had nil borrowings (31 December 2023: Nil).

Gearing Ratio

As the Group had nil borrowings as at 31 December 2024, the gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective periods divided by total equity as at the same date) was nil as at 31 December 2024 (31 December 2023: Nil).

Pledge of Assets

As at 31 December 2024, the Group did not have any pledged assets (31 December 2023: Nil).

Foreign Exchange Risks

The Group's businesses are principally conducted in RMB, which is the functional currency of the Group companies. Foreign currency transaction included mainly receipts of proceeds from the Listing on the Main Board of the Stock Exchange and payment of professional service fees, which are denominated in Hong Kong dollars ("**HK$**"). As at 31 December 2024, the cash and cash equivalents of approximately RMB197.4 million and RMB0.1 million were denominated in HK$ and United States dollars ("**US$**"), and the term deposit of approximately RMB6.4 million was denominated in US$. Fluctuation of the exchange rates of RMB against foreign currency has a limited impact on the Group's results of operations.

Contingent Liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

COMMITMENTS

As at 31 December 2024, the Group did not have any capital commitments (31 December 2023: Nil).

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

During the year ended 31 December 2024, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

USE OF NET PROCEEDS FROM THE LISTING

After deducting the underwriting commission and other expenses payable by the Company in connection with the Listing, the net proceeds from the Listing and the exercise in full of the overallotment option amounted to approximately HK$6,660.9 million.

As of 31 December 2024, the Group utilized approximately HK$5,147.6 million of the proceeds raised, which were allocated in accordance with the use of proceeds set out in the prospectus (the "**Prospectus**") of the Company dated 5 November 2020, the announcement on the change of use of proceeds from the Global Offering as defined in the Prospectus dated 10 September 2021, the announcement on the further change in use of proceeds from the Global Offering dated 18 April 2023, the announcement on the further change in use of proceeds from the Global Offering dated 22 December 2023 and the announcement on the further change in use of proceeds from the Global Offering dated 8 July 2024 (the "**Fourth Announcement**"). The remaining unutilized net proceeds of approximately HK$1,513.3 million will be allocated in accordance with the purposes and proportions set out in the Fourth Announcement.

The following table sets forth details of the revised use and allocation of net proceeds as at 31 December 2024:

	Planned use of net proceeds disclosed in the Fourth Announcement *HK$'million*	*approximately %*	Unutilised net proceeds as at 1 January 2024 *HK$'million*	Actual use of net proceeds as of 31 December 2024 *HK$'million*	Unutilised net proceeds as at 31 December 2024 *HK$'million*	Expected timeline of the intended use of proceeds
(a) Pursuing selective strategic investment and acquisition opportunities and further developing strategic partnerships to expand the Group's business scale and the depth and breadth of the Group's geographic coverage, by way of investment (direct investment, acquisition, or capital increase of affiliated companies), acquisition of or entering into joint venture arrangement with property management companies or companies engaged in the business of value-added services, and joint investment in relevant industry funds with business partners	3,544.0	53.2%	1,341.3	2,477.6	1,066.4	
(i) Investing in or acquiring property management companies which manage quality residential properties which meet the Group's selection criteria, and/or with the necessary experiences and qualifications, and/or which manage non-residential properties which meet the Group's selection criteria such as public facilities, educational institutions and/or hospitals	2,032.1	30.5%	1,138.7	970.5	1,061.6	On or before December 2025

	Planned use of net proceeds disclosed in the Fourth Announcement		Unutilised net proceeds as at 1 January 2024	Actual use of net proceeds as of 31 December 2024	Unutilised net proceeds as at 31 December 2024	Expected timeline of the intended use of proceeds
	HK$'million	*approximately %*	*HK$'million*	*HK$'million*	*HK$'million*	
(ii) Investing in or acquiring suitable targets with business that are complementary to the Group's existing services and can help the Group further integrate its upstream and downstream resources, such as catering services, and enjoy a reputable brand name	666.0	10.0%	202.6	666.0	–	
(iii) Retaining the net proceeds in Hong Kong for the investment in and acquisition of suitable targets with the business scope described in subcategories (i) and (ii) above, and according to the structure of the transaction and acquisition target (such as red chip structure), possibly for direct payment in Hong Kong of such investment and mergers and acquisitions, so that the Company can explore and expand business sources and channels in multiple directions	845.9	12.7%	–	841.1	4.8	On or before December 2025
(b) Upgrading the systems of the Group for digitization and smart management	170.9	2.6%	86.2	93.5	77.4	
(i) Developing and upgrading hardware and software	70.8	1.1%	–	70.8	–	
(ii) Developing and improving the Group's intelligent management systems	100.1	1.5%	86.2	22.7	77.4	On or before December 2025
(c) Further developing the value-added services of the Group	915.5	13.7%	283.5	915.5	–	
(i) Strategically developing the Group's upstream and downstream services	913.4	13.7%	283.5	913.4	–	–
(ii) Upgrading hardware and developing smart community	2.1	0.0%	–	2.1	–	–

		Planned use of net proceeds disclosed in the Fourth Announcement		Unutilised net proceeds as at 1 January 2024	Actual use of net proceeds as of 31 December 2024	Unutilised net proceeds as at 31 December 2024	Expected timeline of the intended use of proceeds
		HK$'million	*approximately %*	*HK$'million*	*HK$'million*	*HK$'million*	
(d)	General business operations and working capital	666.1	10.0%	10.3	655.7	10.4	On or before December 2025
(e)	Retaining the net proceeds in Hong Kong and mainland China for the funding of the repurchase of Shares and/or the establishment of incentive programs, such as employee share ownership plan and share award plan, as permitted by the laws of the place where the Company is registered and where the Company's shares are listed	1,169.3	17.6%	206.3	990.3	179.0	On or before December 2025
(f)	Renovating and improving the housing of the old residential communities under the management of the Group or for which the Group is newly contracted to provide property management service	195.2	2.9%	189.4	15.0	180.2	On or before December 2025
Total		6,660.9	100%	2,117.0	5,147.6	1,513.3	

Note: The figures have been subject to rounding adjustments. Therefore, the total amount of each category may not equal the arithmetic total of the relevant sub-category.

Taking the actual needs of the current scale of business into account, the Group's expenditure on upgrading its systems for digitization and smart management as well as renovating and improving the housing of the old residential communities under the management of the Group or for which the Group is newly contracted has slowed down. Meanwhile, considering the macroeconomic environment, the Company has adopted a more prudent approach and has not used up the proceeds raised in respect of the repurchase of Shares and the establishment of incentive programs in 2024.

Save as disclosed in the Fourth Announcement, as at 31 December 2024, the Directors are not aware of any material change in the planned use of the net proceeds. The unutilised net proceeds and the following timeline of intended utilization will be applied in the manners disclosed by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Use of Net Proceeds from the Listing" in this report, the Group has no other future plans for material investments and capital assets as at 31 December 2024.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had approximately 11,550 employees (31 December 2023: 12,955 employees). During the Year, the staff cost recognised as expenses by the Group amounted to approximately RMB1,858.2 million (31 December 2023: approximately RMB1,938.2 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package including salary, bonus and various allowances. In general, the Group determines employees' salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion. As required by the relevant PRC laws and regulations, the Group makes contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of its PRC employees.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. Xia Shaofei (夏紹飛), aged 45, was appointed as our Director in September 2014 and re-designated as our executive Director in May 2020. Mr. Xia is primarily responsible for overall operation and organizational management, strategic and development planning and innovative business enhancement of the Group. Mr. Xia joined our Group in August 2014 and has served as the chairman of our Board since then.

Prior to joining the Group, from April 2002 to January 2012, he successively served as the planning supervisor of the marketing management department, the marketing manager, the brand director, the marketing director and the senior marketing director at Jinke Property, where he was primarily responsible for coordination of marketing planning of the subsidiaries of Jinke Property. From January 2012 to August 2014, Mr. Xia served as deputy director and was subsequently promoted to director of brand and property department of Jinke Property, where he was primarily responsible for the overall operations of marketing management and property management.

Mr. Xia obtained his associate's degree in accounting computerization from Chongqing Radio and Television University (重慶廣播電視大學) in the PRC in October 2000. Mr. Xia obtained his bachelor's degree in marketing from Southwestern University of Finance and Economics (西南財經大學) in the PRC in July 2015. Mr. Xia obtained his master degree in business administration from University of Virginia in September 2023.

NON-EXECUTIVE DIRECTORS

Mr. Xu Guofu (徐國富), aged 41, was appointed as the executive Director in May 2020 and re-designated as the non-executive Director in February 2023. Mr. Xu joined the Group in May 2020 and had served as deputy general manager, chief financial officer and secretary of the Board.

Prior to joining the Group, from July 2007 to March 2010, Mr. Xu successively served as an audit assistant, an auditor and a project manager of Chongqing Branch of Tianjian Accounting Firm (Special general partnership) (天健會計師事務所(特殊普通合夥)重慶分所), where he was mainly responsible for annual auditing of financial statements, auditing of major assets restructuring and financial due diligence of PRC listed companies. From April 2010 to March 2014, he successively served as an auditor, an accounting director and a financial manager of Jinke Property and its subsidiaries, where he was mainly responsible for financial management. From March 2014 to June 2015, he served as a financial manager of Chongqing Rongchuangjiye Property Development Co., Ltd. (重慶融創基業房地產開發有限公司), a real estate company, where he was mainly responsible for financial management. From July 2015 to May 2020, he successively served as a manager, a deputy director, a senior deputy director, general manager of the security department and the secretary of the board of Jinke Property, where he was mainly responsible for the overall management of the basic securities affairs of the security department, investor relations, capital operation, and statutory duties of the secretary of the board, including information disclosure and preparation for the annual general meeting. From May 2020 to February 2023, he served as executive Director, deputy general manager, chief financial officer, joint company secretary and secretary of the Board. Mr. Xu has served as vice president in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) since February 2023, which is the controlling shareholder of Jinke Property.

Mr. Xu obtained his bachelor's degree in financial management from Chongqing Technology and Business University (重慶工商大學) in the PRC in July 2007. Mr. Xu obtained the Intermediate Qualification Level in Accounting (會計中級資格) and the Senior Qualification Level in Accounting (會計高級資格) issued by Chongqing Professional Title Reform Office (重慶市職稱改革辦公室) in December 2011 and February 2018, respectively.

Mr. Wu Xiaoli (吳曉力), aged 50, was appointed as the non-executive Director in August 2022. Mr. Wu graduated from Tsinghua University with a bachelor's degree in biomedical engineering in July 1998. Mr. Wu received a master of engineering degree in bioengineering from Boston University in May 2002 and a master of business administration degree from The Wharton School, University of Pennsylvania in May 2004. Mr. Wu has been serving at Boyu Group, LLC ("**Boyu Capital**") since November 2012 with his current position as managing director.

From 1998 to 2000, Mr. Wu served as a consultant at International Business Machines Corporation (IBM). From 2005 to 2011, Mr. Wu worked at McKinsey & Company with his last position as associate principle. Since April 2021, Mr. Wu has been serving as a director of Genesis Medtech Group Limited. Since July 2023, Mr. Wu has been serving as a director of QE Holding.

Ms. Lin Ke (林可), aged 41, was appointed as the non-executive Director in August 2022. Ms. Lin graduated from Beijing Foreign Studies University with a bachelor's degree in economics in July 2005 and has been working at Boyu Capital since January 2020 with her current position as managing director.

From July 2005 to June 2007, Ms. Lin worked at Jones Lang LaSalle with her last position as deputy manager. From July 2007 to December 2019, Ms. Lin worked at GIC Real Estate with her last position as vice president. Since April 2021, Ms. Lin has been serving as an executive director of Shanghai Jinjun Props Co., Ltd.* (上海勁駿道具有限公司). Since September 2021, Ms. Lin has been serving a director of Taicang Anguang Supply Chain Management Co., Ltd.* (太倉市安廣供應鏈管理有限公司). Since December 2021, Ms. Lin has been serving as an executive director of Ankuang Enterprise Management (Shanghai) Co., Ltd.* (安廓企業管理(上海)有限公司). Since January 2022, Ms. Lin has been serving as an executive director of Anxing Supply Chain Management (Shanghai) Co., Ltd.* (安杏供應鏈管理(上海)有限公司). Since August 2022, Ms. Lin has been serving as a director of ZData Intelligent Valley Limited.

Mr. Shi Cheng (石誠), aged 39, was appointed as the non-executive Director in December 2023. Mr. Shi graduated from (西南政法大學) with a double degree of bachelor of finance and bachelor of laws in July 2007. From March 2016 to November 2018, Mr. Shi served as the senior investment manager of Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司). Since November 2018, Mr. Shi has been working at Jinke Property with his current position as a manager of securities affairs department of Jinke Property, where he is responsible for capital operation, investor relations management and information disclosure affairs.

Mr. Qi Shihao (祁詩皓), aged 30, was appointed as the non-executive Director in December 2023. Mr. Qi graduated from Tsinghua University (清華大學) with a bachelor's degree in management in July 2017. Mr. Qi also received a master's degree in finance from Tsinghua University in July 2019. From July 2019 to June 2021, Mr. Qi worked at Softbank Ventures Asia Corp., as an investment analyst. Since July 2021, Mr. Qi has served as an investment manager at Boyu Capital Advisory Company Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Yuan Lin (袁林), aged 60, was appointed as the independent non-executive Director in October 2020. Ms. Yuan is primarily responsible for the provision of independent advice to the Board.

From June 1988 to July 1993, Ms. Yuan served as an assistant and a lecturer at Sichuan Provincial Political and Judicial Management Cadre College (四川政法管理幹部學院), where she was mainly responsible for teaching criminal law curriculum. From July 1993 to November 2005, she served as a teacher at Sichuan Radio and TV University (四川廣播電視大學) and served as the deputy director of the teaching department from January 2005 to November 2005, where she was mainly responsible for teaching law curriculum and teaching management. Ms. Yuan has served as the professor and tutor of postgraduates and doctoral students of Southwest University of Political Science and Law (西南政法大學) since December 2005 and she has also served as the director of the Research Center of Protection of the Rights of Special Community and Crime Prevention (特殊群體權利保護與犯罪預防研究中心) since December 2012, where she was mainly responsible for teaching and research of criminal law and criminology, supervising postgraduates and doctoral students.

In addition to the working experience above, the table below shows the working experience of Ms. Yuan being a director of various companies:

Period of time	Name of entity	Position(s)	Principal business activities	Responsibilities
Since July 2014	Chongqing Iron and Steel (Group) Co., Ltd. (重慶鋼鐵(集團)有限責任公司)	External director	Steel production	Provision of independent advice to the board
Since February 2015	Chongqing Construction Investment Co., Ltd. (重慶建工投資控股有限責任公司)	External director	Construction engineering	Provision of independent advice to the board
From May 2019 to August 2023	Evergrande Life Assurance Co., Ltd. (恒大人壽保險有限公司)	Independent director	Life insurance	Provision of independent advice to the board

The following table shows the relevant experience of Ms. Yuan as an independent director in several listed companies:

Period of time	Name of entity	Position(s)	Principal business activities
August 2016 to June 2023	Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司)	Independent director	A real estate company listed on the Shenzhen Stock Exchange (stock code: 000514)
May 2014 to May 2020 Since August 2021	Chongqing Zhifei Biological Products Co., Ltd. (重慶智飛生物製品股份有限公司)	Independent director	A company engaged in the research and production of biological products and listed on the Shenzhen Stock Exchange (stock code: 300122)
October 2017 to September 2021 Since October 2023	Chongqing Landai Powertrain Corp., Ltd. (重慶藍黛動力傳動機械股份有限公司)	Independent director	A company engaged in automotive components manufacturing and listed on the Shenzhen Stock Exchange (stock code: 002765)
Since May 2022	Porton Pharma Solutions Ltd. (博騰製藥科技股份有限公司)	Independent director	A company engaged in the medical development and manufacturing services and listed on the Shenzhen Stock Exchange (stock code: 300363)

Ms. Yuan obtained her bachelor's degree in law from Nankai University (南開大學) in the PRC in July 1986. She obtained her master's degree in criminal law and her doctor's degree in criminal law from Southwest University of Political Science and Law (西南政法大學) in the PRC in March 1991 and June 2010, respectively. Ms. Yuan obtained the certificate of completion of senior management of PRC listed companies in March 2013 and the certificate of completion of the follow-up training of independent non-executive director of PRC listed companies in November 2023 from the Shenzhen Stock Exchange. Ms. Yuan served as the vice chairman of the Chinese Society of Criminology (中國犯罪學學會) from August 2012 to December 2022, an expert member of the Judges Selection Committee of Chongqing (重慶市法官遴選委員會) since September 2015, a member of the Fifth Chongqing People's Congress (第五屆重慶市人民代表大會) from January 2018 to December 2022, a member of the Commission of Supervisory and Judicial Affairs of Chongqing People's Congress Standing Committee (重慶市人大常委會監察和司法委員會) from January 2019 to December 2022 and a Counselor of Chongqing Municipal People's Government (重慶市人民政府參事) since December 2021.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Xiao Huilin (肖慧琳), aged 46, was appointed as the independent non-executive Director in June 2023. Ms. Xiao is primarily responsible for the provision of independent advice to the Board.

Ms. Xiao graduated from Beijing Foreign Studies University (北京外國語大學) with a bachelor's degree in information management (English) in July 2002. Ms. Xiao received a doctorate degree in international business from University of Sydney in September 2008 and a post-doctorate degree in marketing from City University of Hong Kong in September 2011. Ms. Xiao worked at University of Sydney as an assistant researcher in 2008 and has been working at Southwestern University of Finance and Economics (西南財經大學) as an associate professor and doctoral supervisor from January 2009 to February 2023. She has been serving an independent director of Hubei Mailyard Share Co. Ltd.* (湖北美爾雅股份有限公司) (600107.SH) since February 2022, and an independent director of Kingland Technology Co. Ltd.* (京藍科技股份有限公司), (000711.SZ) since January 2022.

Mr. Tung Woon Cheung Eric (董渙樟), aged 54, was appointed as the independent non-executive Director in October 2023. Mr. Tung is primarily responsible for the provision of independent advice to the Board.

Mr. Tung graduated from York University, Toronto, Canada with a bachelor's honours degree in administrative studies. Mr. Tung had extensive experience in auditing and advisory services with top tier international accounting firms. Mr. Tung joined Beijing Enterprises Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 392) in April 2000 and currently serves as the executive Director and company secretary and has served as an executive director, the chief financial officer and company secretary of Beijing Enterprises Water Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 371) since August 2011. In addition, Mr. Tung has served as an independent non-executive director of South China Financial Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 619) since September 2004. Mr. Tung has also served as an independent non-executive director of GR Life Style Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 108) since April 2014. Mr. Tung is a Hong Kong Certified Public Accountant and a U.S. licensed practice Certified Public Accountant.

SUPERVISORS

Mr. Yu Yong (余勇), aged 53, was appointed as the Supervisor and the president of the Supervisory Committee on 25 May 2020. Mr. Yu is primarily responsible for presiding the work of the Supervisory Committee, supervising the Board and the senior management of the Company.

Prior to joining Jinke Property and the Company, Mr. Yu successively served as a teacher in Chongqing Bishan District Zhongxing Primary School (重慶市璧山區中興小學) from July 1990 to August 1999 and Chongqing Bishan Qinggang Junior Middle School (重慶市璧山縣青槓初級中學校) (now known as Chongqing Bishan District Junior Middle School (重慶市璧山區青槓初級中學校)) from September 1999 to June 2002. From July 2002 to October 2006, he served as the chief of the political bureau of the United Front Work Department of the Communist Party of China Chongqing Bishan District Committee (中共重慶市璧山區委統戰部) and was primarily responsible for the united front work of non-public economy and non-Party cadres. From November 2006 to March 2010, he served as the secretary general of the Federation of Industry and Commerce of Chongqing Bishan District (重慶市璧山區工商業聯合會), primarily responsible for the daily affairs, and from April 2010 to March 2017, he successively served as an assistant to the minister of the member department, the deputy director of the research office, and the deputy minister of the economic affairs department of the Chongqing Federation of Industry and Commerce (重慶市工商業聯合會), where he was primarily responsible for research on private economy, development of the private enterprises and the small and medium-sized enterprises. Mr. Yu joined Jinke Property in June 2017 as the member of the party committee, mainly responsible for party affairs. Mr. Yu was appointed as the party committee secretary of the Company in June 2017, mainly responsible for party affairs.

Mr. Yu obtained his bachelor's degree in Chinese language and literature from Chongqing College of Education (重慶教育學院) in the PRC by way of correspondence education in June 2004. He obtained his master's degree in administrative management from Party School of Chongqing Party Committee (中共重慶市委黨校) in the PRC in June 2010.

Mr. Luo Ruifeng (駱瑞鋒), aged 46, was appointed as the Supervisor in June 2023.

Mr. Luo obtained his graduate diploma in accounting from Chongqing Technology and Business University* (重慶工商大學) in June 2000. From January 2005 to January 2008, he served as an auditor at Chongqing Yonghe Accounting Firm* (重慶永和會計師事務所). He joined Jinke Property in February 2008 and successively served as head, manager and deputy director of the audit department, and has been the person-in-charge of the audit department of Jinke Property since June 2022. Mr. Luo was qualified as a Certified Public Accountant awarded by the Chinese Institute of Certified Public Accountant in December 2005. He obtained the Intermediate Qualification Level in Accounting (會計中級資格) issued by Ministry of Finance of the PRC (中華人民共和國財政部) in May 2007.

Ms. Ren Wenjuan (任文娟), aged 40, was appointed as the Supervisor on 25 May 2020. Ms. Ren is primarily responsible for supervising the Board and the senior management of the Company. Ms. Ren joined the Group as the human resources and administrative assistant in September 2012 and was promoted to the administrative director in March 2019. In March 2021, Ms. Ren was appointed as the deputy general manager of administration and service department of the Company, mainly responsible for administrative management of the Company.

Prior to joining the Group, from July 2007 to June 2010, Ms. Ren served as an administrative director of Chongqing Branch of Jiatong Tire (China) Investment Co., Ltd. (佳通輪胎(中國)投資有限公司), an investment company, where she was mainly responsible for administrative management.

Ms. Ren obtained her bachelor's degree in accounting from Chengdu University of Information Technology (成都信息工程學院) in the PRC in July 2007.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there was no information relating to the Directors or Supervisors that is required to be disclosed pursuant to paragraphs (b) to (v) of Rule 13.51(2) of the Listing Rules or any other matters concerning any Director or Supervisor that needs to be brought to the attention of the Shareholders as at the date of this annual report.

SENIOR MANAGEMENT

The executive Director and the president of the Company are responsible for the day-to-day operations and management of the business of the Group. For the biographical details of Mr. Xia Shaofei, please refer to "– Executive Director" in this section.

Mr. Han Qiang (韓強), aged 42, joined the Group as senior vice president in August 2021 and was appointed as the president of the Company on 29 March 2022.

Prior to joining the Group, Mr. Han served at various companies where he was responsible for marketing management, including serving as a manager (科長) at the Chongqing office of ZTE Corporation (中興通訊) from September 2004 to July 2005; a project manager of Chongqing Real Estate Consulting Co., Ltd. (重慶領域置業顧問有限公司) from July 2005 to June 2007; a marketing director of Chongqing Zhongyi Land Co., Ltd. (重慶中億置地有限公司) from June 2007 to January 2012; and successively serviced as a supervisor (主任) and manager of the marketing department of western district, deputy director of the marketing centre and the principal of the second marketing department in western Chongqing area of Jinke Property, from January 2012 to July 2017. From July 2017 to January 2020, Mr. Han successively served as the executive deputy general manager and general manager of Yongzhou urban area of the Jinke Property. From January 2020 to August 2021, Mr. Han served as the general manager of Sichuan-Shaanxi areas of Jinke Property and the chairman of Sichuan area of Jinke Property.

Mr. Han graduated from Hubei University with a bachelor degree in engineering management in June 2004.

Mr. Luo Chuansong (羅傳嵩), aged 49, was appointed as a Director in September 2014 and re-designated as the executive Director and the executive general manager in May 2020, Mr. Luo resigned as an executive Director on 27 June 2022. Mr. Luo is responsible for daily management and operation of the Group.

Mr. Luo joined the Group as the head of security department in December 2002, where he was primarily responsible for security maintenance. He was promoted as a project manager in September 2003, where he was primarily responsible for project operation and management. From March 2009 to August 2014, he served as the assistant of general manager and was then promoted to deputy general manager, where he was primarily responsible for customer service, security maintenance and property management projects. From August 2014 to May 2020, Mr. Luo served as the general manager of the Company, where he was primarily responsible for daily management and operation of the Company.

Mr. Luo obtained his bachelor's degree in marketing from Shenyang Machine Industry officers and Workers University (瀋陽機械工業職工大學) in the PRC through distance learning in July 1999. He graduated from the curricula of property management MBA from Bozhong Real Estate Management Research Institute (博眾房地產管理研究院) in the PRC in July 2015.

Mr. Luo is the president of Chongqing Property Management Institute (重慶物業管理協會), and has been serving as the vice president and a council member of the working committee of laws and policies of China Property Management Institute (中國物業管理協會) since July 2019 for a term of five years. He has been serving as the deputy director of the intelligent property application promotion center of the National Digital Standardization Technical Committee for Intelligent Buildings and Residential Area (全國智能建築及居住區數字標準化技術委員會) since January 2019 for a term of three years. Mr. Luo was awarded as the Most Respected Property Management Professional (最美物業人) by Chongqing Municipal Commission of Housing and Urban-Rural Development (重慶市住房和城鄉建設委員會) in November 2019. Mr. Luo was awarded the 2017 Top 10 CEOs in the PRC Property Management Industry (2017 中國十大物業 CEO).

Mr. Yan Lingyang (閆凌陽), aged 46, was appointed as the chief financial officer of the Company on 13 February 2023. Mr. Yan is primarily responsible for the financial management of the Group.

Between 2000 and 2016, Mr. Yan worked at Ernst & Young Hua Ming LLP and Deloitte Touche Tohmatsu Certified Public Accountants LLP and served as a partner of Deloitte Touche Tohmatsu Certified Public Accountants LLP from 2011 to 2016. Between 2016 to 2017, Mr. Yan served as the chief financial officer of Beijing Hongkun Weiye Real Estate Development Co., Ltd.* (北京鴻坤偉業房地產開發有限公司). Between 2017 to 2020, Mr. Yan served as the chief financial officer of UR Work (Beijing) Venture Capital Investment Co., Ltd.* (北京優客工場創業投資公司). Between 2020 to 2021, Mr. Yan served as a financial vice president of Sichuan Languang Justbon Services Group* (四川藍光嘉寶服務集團). From March 2021 to March 2022, Mr. Yan served as the chief financial officer of Guangdong United New Energy Co., Ltd.* (聯動新能源有限公司).

Mr. Yan graduated from the Capital University of Economics and Business* (首都經濟貿易大學) with a bachelor's degree in economics in 2000. He completed the postgraduate program in the University of International Business and Economics* (對外經濟貿易大學) in 2017. Mr. Yan is a certified internal auditor, a Chartered Financial Analyst, and a member of the Chinese Institute of Certified Public Accountants and the American Institute of Certified Public Accountants.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Ms. Xu Yuanyuan (徐圓圓), aged 36, was appointed as the joint company secretary of the Company on 30 March 2023. From November 2017 to December 2019, she worked in the Securities Affairs Department of Jinke Property. Since January 2020, she has served as the officer of the Board Office of the Company. Her main duties include but not limited to assisting the secretary of the Board (and the joint company secretary of the Company) to conduct corporate governance affairs and investor relationship management. She was also involved in the whole process leading to the listing of the Company in 2020, including liaising with domestic and foreign lawyers, secretarial companies, independent financial advisers and other professional consultants, and assisting the secretary of the Board to carry out the post-listing work of the Company.

Ms. Xu has around 10 years of extensive experience in legal affairs. From January 2015 to August 2015, Ms. Xu served as the legal affairs and compliance risk control supervisor of the operation management department of Shanghai Boqiao Financial Information Service Co., Ltd. (上海伯喬金融信息服務有限公司). From August 2015 to May 2017, she served as the legal affairs manager of Shanghai Feisuo Technology Co., Ltd. (上海飛梭科技有限公司). From May 2017 to November 2017, she served as investment and financing legal manager of Shanghai Yimidida Supply Chain Management Co., Ltd. (上海壹米滴答供應鏈管理有限公司).

Ms. Xu obtained a bachelor's and a master's degree in law from Southwest University of Political Science & Law (西南政法大學) in 2012 and 2014 respectively. She also obtained the legal vocational qualification certificate (A certificate) of the People's Republic of China (中華人民共和國法律職業資格證書(A 證)) in 2013, the qualifications of Chinese fund practitioners (中國基金從業人員資格) in April 2017, and the qualifications of Chinese securities practitioners (中國證券從業人員資格) in April 2018. She obtained the qualification of secretary of the board of directors of the Shenzhen Stock Exchange in December 2019.

Mr. Lau Kwok Yin (劉國賢), aged 39, was appointed as the joint company secretary of the Company on 20 June 2020. Following the resignation of Mr. Xu Guofu as a joint company secretary of the Company on 10 February 2023, Mr. Lau remains in office as the company secretary of the Company. Following the appointment of Ms. Xu Yuanyuan as a joint company secretary of the Company on 30 March 2023, Mr. Lau remains in office as another joint company secretary of the Company.

Mr. Lau is a vice president of SWCS Corporate Services Group (Hong Kong) Limited. He has over 15 years of experience in corporate secretarial services, finance and banking operations. He holds a bachelor of business administration degree in accounting and finance from The University of Hong Kong, and is a member of the Hong Kong Institute of Certified Public Accountants, a Chartered Financial Analyst charter holder and a fellow member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute.

CORPORATE GOVERNANCE REPORT

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct for securities transactions conducted by Directors, Supervisors and relevant employees of the Company. After making specific enquiries to all the Directors, Supervisors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 December 2024.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, Supervisors or relevant employees during the year ended 31 December 2024.

Corporate Governance

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Company has adopted the principles and applicable code provisions set out in the CG Code as its own code of corporate governance. The Board reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all applicable code provisions as set out in the CG Code during the year ended 31 December 2024. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

During the year ended 31 December 2024, the corporate governance functions stipulated in code provision A.2.1 of the CG Code were performed by the Board, which included: (i) developing and reviewing the Company's policies and practices on corporate governance; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

Trainings of the Directors

To ensure that each Director's better understanding in respect of the Company's conduct and business activities to perform their responsibilities as a Director, the Company will arrange appropriate training, including arranging and funding suitable training and professional development program for the Directors. For newly appointed Directors, the Company shall also arrange for suitable induction training, so as to ensure that they have an appropriate understanding of the business and operations of the Group and that they are fully aware of their responsibilities and obligations under the Listing Rules and relevant regulatory requirements upon commencement of their directorship in the Company. During the year ended 31 December 2024, all the Directors, together with the relevant senior management of the Company, have attended suitable induction and/or trainings arranged by the Company covering a wide range of topics including but not limited to directors' duties and responsibilities, corporate governance and continuing obligations of a listed company.

Directors	Type of Training (Note 1)
Executive Director	
Mr. Xia Shaofei *(chairman)*	A/B
Non-executive Directors	
Mr. Xu Guofu	A/B
Mr. Wu Xiaoli	A/B
Ms. Lin Ke	A/B
Mr. Shi Cheng	A/B
Mr. Qi Shihao	A/B
Independent Non-executive Directors	
Ms. Yuan Lin	A/B
Ms. Xiao Huilin	A/B
Mr. Tung Woon Cheung Eric	A/B

Note 1: A. Directors' duties and responsibilities
B. Corporate governance and continuing obligations

Confirmation from Directors under Rule 3.09D of the Listing Rules

None of the Directors was appointed during the year ended 31 December 2024.

THE BOARD

The Board currently consists of nine Directors, comprising one executive Director, five non-executive Directors and three independent non-executive Directors. The functions and powers of the Board include convening general meetings and reporting the Board's work at the general meetings, implementing resolutions of the general meetings, determining the Group's business and investment plans, preparing annual financial budgets and final accounts of the Group, formulating proposals for profit distributions and plans for making up losses, and exercising other powers, functions and duties as conferred by the Articles of Association.

The Board assumes the responsibility of leadership and control of the Company, and supervises and approves strategic development objectives, significant decisions of operations and financial performance of the Company, and the senior management of the Company is responsible for the day-to-day operations and management of the business of the Group.

The Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee and delegated various responsibilities to these committees, which assist the Board in discharging its duties and overseeing particular aspects of the Group's activities. All the Board Committees perform their distinct roles in accordance with their respective terms of reference.

BOARD COMPOSITION

Executive Director

Mr. Xia Shaofei *(chairman)*

Non-executive Directors

Mr. Xu Guofu
Mr. Wu Xiaoli
Ms. Lin Ke
Mr. Shi Cheng
Mr. Qi Shihao

Independent Non-executive Directors

Ms. Yuan Lin
Ms. Xiao Huilin
Mr. Tung Woon Cheung Eric

Each of the Directors entered into a service contract or appointment letter with the Company. Further details of the term of appointment of the Directors are set out in the section headed "Report of the Directors – Directors' and Supervisors' Service Contracts and Appointment Letters" on page 58 of this annual report.

The respective biographical information of the Directors is set out on pages 28 to 32 of this annual report. Save as disclosed, there is no relationship (including financial, business, family or other material relationship) between members of the Board and senior management of the Company.

During the year ended 31 December 2024, the Board had complied with Rule 3.10 and Rule 3.10A of the Listing Rules relating to the appointment of (i) at least three independent non-executive Directors; (ii) independent non-executive directors representing one-third of the Board; and (iii) at least one independent non-executive Director possessing appropriate qualification, or accounting or related financial management expertise.

The Company has received from each independent non-executive Director an annual written confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules. The Company considers each of the independent non-executive Directors to be independent.

Mechanism(s) for Independent Views and Input

The Board has also established mechanisms to ensure independent views are available to the Board, including providing the Directors with sufficient resources to perform its duties and shall seek, at the Company's expense, independent professional advice to perform its responsibilities if necessary.

The Board shall comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2024.

Chairman and President

Currently, the roles of the chairman and president of the Company are performed by Mr. Xia Shaofei and Mr. Han Qiang, respectively.

Board Meetings and Annual General Meeting

The Board meets regularly to discuss and formulate the overall strategy, operations and financial performance of the Group. Board meetings are held at least four times a year and notices of Board meetings are given to the Directors 14 days before the convening of the meeting, in order to give all Directors the opportunity to attend.

During the year ended 31 December 2024, the Board held 13 Board meetings, 4 general meetings and the Directors made positive contributions to the affairs of the Group. The attendance record of each Director is set out below:

Name of Director	Number of meetings attended/ Number of Board meetings held during the year ended 31 December 2024	Number of meetings attended/ Number of general meetings held during the year ended 31 December 2024
Executive Directors		
Mr. Xia Shaofei *(chairman)*	13/13	4/4
Non-executive Directors		
Mr. Xu Guofu	13/13	4/4
Mr. Wu Xiaoli	13/13	4/4
Ms. Lin Ke	13/13	4/4
Mr. Shi Cheng	13/13	4/4
Mr. Qi Shihao	13/13	4/4
Independent non-executive Directors		
Ms. Yuan Lin	13/13	4/4
Ms. Xiao Huilin	13/13	4/4
Mr. Tung Woon Cheung Eric	13/13	4/4

BOARD COMMITTEES

The Board has established the Audit Committee, the ESG Committee, the Remuneration Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist the Board in discharging its duties and overseeing particular aspects of the Group's activities. Each of the Board Committees has specific written terms of reference which clearly specify their authority and duties. The Board Committees will report their findings and recommendations to the Board after each meeting of the Board Committees.

Audit Committee

The Group has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee currently consists of two non-executive Directors and three independent non-executive Directors, namely Mr. Shi Cheng, Mr. Wu Xiaoli, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairman of the Audit Committee currently is Mr. Tung Woon Cheung Eric, who is an independent non-executive Director and possesses the appropriate professional and accounting qualifications required under Rule 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; (ii) provide advice and comments to the Board; and (iii) perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee held 5 meetings during year ended 31 December 2024, to review, among other things, the unaudited interim results and report for the six months ended 30 June 2024, the financial reporting and the compliance matters, compliance with the corporate governance policy and practice, the audited annual results and report for the year ended 31 December 2023, the financial, operational and compliance monitoring, the risk management control, the work of the internal and external auditors, the service fees due to the external auditor as well as the re-appointment of external auditors, the effectiveness of the internal audit function of the Group and the continuing connected transactions of the Group.

The attendance records of the Audit Committee meetings are set out below:

Name of Director	Attendance/ Number of Meeting(s)
Mr. Tung Woon Cheung Eric *(chairman)*	5/5
Mr. Wu Xiaoli	5/5
Ms. Yuan Lin	5/5
Mr. Shi Cheng	5/5
Ms. Xiao Huilin	5/5

Note: On 26 March 2025, the Audit Committee held a meeting to review (i) the annual consolidated financial statements of the Group and annual results announcement for the year ended 31 December 2024; (ii) the Company's relationship with the external auditor, discussed with the Company's external auditor on the tasks performed by them including the nature and scope of their audit and reporting obligations, and reviewed the terms of engagement and their remuneration; (iii) the appropriateness and effectiveness of the risk management and internal control systems of the Group and make relevant recommendations to the Board; (iv) the effectiveness of the internal audit function of the Group; and (v) the continuing connected transactions of the Group.

Remuneration Committee

The Group has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the CG Code. The Remuneration Committee currently consists of two non-executive Directors and three independent non-executive Directors, namely, Mr. Xu Guofu, Mr. Wu Xiaoli, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairlady of the Remuneration Committee currently is Ms. Yuan Lin.

The primary duties of the Remuneration Committee are to (i) establish, review and provide advices to the Board on the Group's policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determine the terms of the specific remuneration package of each executive Director and senior management as described in code provision E.1.2(c)(i) of the CG Code; (iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time-to-time; and (iv) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee held 4 meetings during the year ended 31 December 2024 to review, among others, the remuneration policy and structure of the Company, and consider and make recommendation to the Board on the remuneration for non-executive Directors as all as the proposal on incentive of senior management.

The attendance records of the Remuneration Committee meetings are set out below:

Name of Director	Attendance/ Number of Meeting(s)
Ms. Yuan Lin *(chairlady)*	4/4
Mr. Xu Guofu	4/4
Mr. Wu Xiaoli	4/4
Ms. Xiao Huilin	4/4
Mr. Tung Woon Cheung Eric	4/4

Note: On 26 March 2025, the Remuneration Committee held a meeting to (i) discuss and make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration; (ii) review the remuneration packages of individual Directors and senior management; and (iii) review the Company's remuneration and benefits policy and performance appraisal system.

Nomination Committee

The Group has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A and paragraph B.3 of the CG Code. The Nomination Committee currently consists of one executive Director, one non-executive Director and three independent non-executive Directors, namely Mr. Xia Shaofei, Mr. Wu Xiaoli, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairman of the Nomination Committee currently is Mr. Xia Shaofei.

The primary duties of the Nomination Committee are to (i) review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of the Board; (ii) identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, and ensure the diversity of the Board members; (iii) assess the independence of the independent non-executive Directors; and (iv) make recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors and succession planning for the Directors.

The Nomination Committee held 1 meetings during the year ended 31 December 2024 to review, among others, the structure, size, composition and diversity (including the skills, knowledge, experience, gender, age, cultural and educational background, ethnicity, professional experience and length of service) of the Board to ensure that the Board has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company, to assess the independence of the independent non-executive Directors, to review the measurable objectives for implementing the Board Diversity Policy.

The attendance records of the Nomination Committee meetings are set out below:

Name of Director	Attendance/ Number of Meeting(s)
Mr. Xia Shaofei *(chairman)*	1/1
Mr. Wu Xiaoli	1/1
Mr. Yuan Lin	1/1
Ms. Xiao Huilin	1/1
Mr. Tung Woon Cheung Eric	1/1

Note: On 26 March 2025, the Nomination Committee held a meeting to (i) review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board; (ii) assess the independence of independent non-executive Directors; and (iii) review the measurable objectives for implementing the Board Diversity Policy.

ESG Committee

The Group has established the ESG Committee with written terms of reference, to better integrate the idea of "Social, Environmental and Corporate Governance" into the corporate strategy, promote sustainable development, generate long-term value for all stakeholders. The ESG Committee currently consists of one executive Director, one non-executive Director and three independent non-executive Directors, namely, Mr. Xia Shaofei, Mr. Xu Guofu, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairman of the ESG Committee currently is Mr. Xu Guofu.

The primary duties of the ESG Committee are to (i) guide and review the formulation of the Company's ESG vision and strategies; (ii) identify and evaluate the Company's ESG-related risks and opportunities; (iii) review the progress of the Company's ESG work and internal control system; and (iv) review and supervise the objectives and implementation of the Company's ESG-related work.

The ESG Committee strives to improve and enhance the Company's capabilities of managing environment and social responsibilities, and to promote the sustainable development of the Company.

NOMINATION POLICY

The Company has adopted the Nomination Policy which sets out the selection criteria and procedures to nominate Board candidates. When making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, the Nomination Committee would consider a number of factors in assessing the suitability of the proposed candidate, including but not limited to:

(i) reputation for integrity;

(ii) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(iii) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;

(iv) the ability to assist and support management and make significant contributions to the Group;

(v) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board Committees;

(vi) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment or re-appointment of an independent non-executive Directors; and

(vii) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

Appointment of any proposed candidates to the Board or re-appointment of any existing members of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

The Nomination Committee will review the Nomination Policy from time to time to ensure its implementation and monitor its continued effectiveness.

Each of the re-elected and appointed Directors has entered into a service contract or appointment letter (where applicable) with the Company with a term from the date of the general meetings approving his/her appointment to the expiry of term of second session of the Board. During the year ended 31 December 2024, there is no re-election of Directors.

BOARD DIVERSITY POLICY

The Board has adopted the Board Diversity Policy which sets out the approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talents, skills, gender, age, ethnicity, experience, independence and knowledge.

The Company will continue to implement measures and steps to promote and enhance gender diversity at all levels of the Company. The Company will select potential Board candidates based on merit and his/her potential contribution to the Board while taking into account the Board Diversity Policy and other factors. The Company will also take into consideration the Group's business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Nomination Committee and the Board will review and the Board Diversity Policy on an annual basis to ensure its implementation and monitor its continued effectiveness.

Diversity at Board Level

The Directors have a balanced mix of knowledge and skills, including overall management and strategic development, human resources, information technology, accounting and financial management, and corporate governance. They obtained degrees in various majors including accounting, marketing, financial management, business administration, economics and business management, bioengineering, industrial and civil construction, mathematics and law. The Company has three independent non-executive Directors with different industry backgrounds, representing a third of the members of the Board. Furthermore, the Board has a wide range of age, ranging from 30 years to 60 years old.

The Board currently comprises three female Directors and six male Directors. The Board considers that the Company has achieved gender diversity at the Board level and targets to maintain at least the current level of female representation. The Company will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and ensure that sufficient resources are available for providing appropriate trainings and career development to develop a pipeline of potential successors to the Board and maintain gender diversity.

Based on the Nomination Committee's review for the year ended 31 December 2024, the Nomination Committee considered that there was sufficient diversity in the Board for the Company's corporate governance and business development needs. Taking into account the recommendation of the Nomination Committee, the Group's existing business model and specific needs as well as the different background of the Directors, the Board considers that its current composition satisfies the Board Diversity Policy.

Diversity at Workforce Level

The Group recognises the importance of diversity and is committed to promote gender diversity at all levels, and believes that a diverse workforce and an inclusive culture supports high performance and the Group's ability to operate effectively. The gender ratio in the workforce (including senior management) as at 31 December 2024 is set out below:

	As at 31 December 2024	
	Number of persons	Percentage of total number of employees
Female employees	6,476	56%
Male employees	5,074	44%

The Board considers that the Group has achieved gender diversity at the workforce level and targets to maintain the current level of gender diversity. To maintain diversity at workforce level, the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates with different age, gender and experiences are considered. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees. As at the date of this annual report, the Board is not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce more challenging or less relevant.

DIRECTORS' REMUNERATION POLICY

The Company has put in place the Directors' Remuneration Policy to determine the remuneration packages of Directors. The objective of remunerating the Directors is to ensure that there is an appropriate level of remuneration to attract and retain experienced talents of high calibre to oversee the Group's business and development.

The remuneration of the Directors is determined with reference to the skills and knowledge of the Directors and senior management, their job responsibilities and level of involvement in the Group's affairs, the performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions. Remuneration comprises basic salaries, allowances, performance related bonuses and contributions to a pension scheme.

ANNUAL REMUNERATION PAYABLE TO THE DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

The annual remuneration of the members of the senior management by band for the year ended 31 December 2024 is as follows:

Remuneration bands (RMB)	Number of individuals
2,500,001 – 3,000,000	1
3,000,001 – 3,500,000	0
3,500,001 – 4,000,000	0
4,000,001 – 4,500,000	1
4,500,001 – 5,000,000	2
7,500,001 – 8,000,000	1

Details of the remuneration of the Directors are set out in note 41 to the consolidated financial statements.

AUDITOR'S REMUNERATION

The Company has appointed PricewaterhouseCoopers as its external auditor for the year ended 31 December 2024.

During the year ended 31 December 2024, the remunerations paid or payable to PricewaterhouseCoopers in respect of its statutory audit services and non-audit services are RMB4.0 million and RMB0.2 million, respectively.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2024, which give a true and fair view of the state of affairs of the Group and of the operating results and cash flow for the year. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates, reasonable information and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Group on a going concern basis.

The statements of the auditor of the Group about its reporting responsibility on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 89 to 95 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing the Company's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives of the Group, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management Structure of the Company

The Group has implemented various risk management policies and measures to identify, assess, manage and monitor risks arising from its operations. Risks identified by the Group's management team, internal and external reporting mechanism, remedial measures and contingency management have been codified in the Group's policies.

The Group strives to foster a strong compliance culture among its employees. To achieve such compliance culture and set the expectations for individual behavior across the Group, the Group has adopted procedures and policies to ensure strict accountability of individual employees, and regularly conduct internal compliance checks and inspections and conduct compliance training.

Risk Management and Internal Control Procedure

The Company has established internal control measures led by the Board whereby the management is responsible for assisting the Board in completing the identification and evaluation of risk factors of the business systems, implementing the Company's policies and procedures and participating in the design and operation of such measures that meet the Company's management requirements, which provides reliable assurance for the Company to carry out its business to prevent the occurrence of significant operational risks and losses. The Group also has an internal audit and risk control function which primarily carries out analysis and independent appraisal of the adequacy and effectiveness of its risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis.

Risk Management and Internal Control Review

A review of the effectiveness of the Group's risk management and internal control systems, including financial, operation and compliance controls, will be conducted by the Board at least annually. The Board reviews each year the effectiveness of the Group's risk management and internal control systems for the previous financial year, and makes evaluations and suggestions on the Group's risk management and internal control systems and process through internal and external professionals and institutions.

The annual review in respect of the year ended 31 December 2024 has considered, among others (i) adequacy of resources; (ii) staff qualifications and experience; (iii) training programmes for the staff; and (iv) budget of the Group's accounting, internal audit and financial reporting functions. The Board also conducted a comprehensive evaluation on the timeliness, effectiveness and normativity of the procedures for handling and releasing inside information of the Company, as well as the effectiveness of the Company's processes for financial reporting and Listing Rule compliance.

For the year ended 31 December 2024, the Board considers that the risk management and internal control systems of the Company are effective and adequate.

DISSEMINATION OF INSIDE INFORMATION

The Group has in place a framework for the disclosure of inside information by reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in an appropriate and timely manner, such as steps to ascertain sufficient details, conduct internal assessment of the matter and its likely impact on the Company, seek professional advice where required and verification of the facts. Before the information is fully disclosed to the public, any persons who possess the knowledge of such information must ensure strict confidentiality and must not deal in any of the Company's securities.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an Extraordinary General Meeting

The Company shall convene an extraordinary general meeting within two months from the date when such meeting is requested in writing by a Shareholder alone or Shareholders together holding over 10% of the Company's outstanding voting Shares (the number of Shares held by such Shareholder(s) shall be calculated based on the number of Shares held at the close of trading on the date when such Shareholder(s) request in writing, or if the written request is made on a non-trading day, the number of Shares held at the close of trading on the preceding trading day).

In accordance with Article 44 of the Articles of Association, Shareholders requesting the convening of an extraordinary general meeting shall do so by the procedure set forth below:

(i) shareholders individually or jointly holding at least 10 percent of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting that the board of directors convene an extraordinary shareholders' meeting and stating the subject to be discussed at the meeting; the board of directors shall convene the extraordinary shareholders' meeting as soon as possible after having received the aforementioned written request; the shareholding referred to above shall be calculated as of the day on which the written request is made.

(ii) if the board of directors fails to decide whether to convene an extraordinary shareholders' meeting within ten days after having received the aforementioned written request, the shareholders who made such request may propose the aforementioned written request to the supervisory committee, and if the supervisory committee fails to decide whether to convene an extraordinary shareholders' meeting within ten days after having received the aforementioned written request, shareholders individually or jointly holding over 10 percent of the shares of the Company for at least 90 days in succession may themselves convene the meeting within four months after the supervisory committee received the request. The procedure according to which they convene such meeting shall, to the extent possible, be identical to the procedure according to which shareholders' meetings are to be convened by the board of directors.

If shareholders convene and hold a meeting themselves because the board of directors failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors and supervisors.

Procedures for Putting Forward Proposals at General Meetings

In accordance with Article 49 of the Articles of Association, a shareholder alone or shareholders together holding at least one percent of the shares of the Company may submit extempore motions in writing to the convener 10 days prior to the date of such meeting. The convener shall issue a supplementary notice of the shareholders' meeting and make a public announcement of the contents of such extempore motion within two days after receipt of the motion, and submit such extempore motion the shareholders' meeting for consideration. The contents of such an extempore motion shall fall within the scope of the functions and powers of the shareholders' meeting, and contain a clear topic and a specific resolution.

Except as provided in the preceding paragraph, the convener may not make any changes to the motions set forth in the notice of the shareholders' meeting or add any new motions once the notice and announcement of the shareholders' meeting have been issued.

The shareholders' meeting may not vote and pass resolution on motions that are not set forth in the notice of the shareholders' meeting or that are not consistent with Article 48 of the Articles of Association.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time make enquiries to the Board in writing through the contact details as follows:

By post: 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Email: IRJKS@jinkeservice.com
Attention: the Board Office

JOINT COMPANY SECRETARIES

Ms. Xu Yuanyuan and Mr. Lau Kwok Yin remains in office as the joint company secretaries of the Company for the year ended 31 December 2024. Please refer to the section headed "Biographies of Directors, Supervisors and Senior Management" in this annual report for the biographical information of Ms. Xu and Mr. Lau.

Ms. Xu Yuanyuan, the joint company secretary and the head of the board office of the Company, is the primary contact of Mr. Lau Kwok Yin at the Company.

In compliance with Rule 3.29 of the Listing Rules, Ms. Xu Yuanyuan and Mr. Lau Kwok Yin both undertook not less than 15 hours of relevant professional training during the year ended 31 December 2024.

CONSTITUTIONAL DOCUMENTS

Reference is made to the announcement of the Company dated 29 April 2024 and 8 July 2024 respectively.

Pursuant to the Consultation Conclusions on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments published by the Stock Exchange in June 2023, the relevant amendments to the Listing Rules came into effect on 31 December 2023 to the effect, among others, that any "corporate communication" (as defined under the Listing Rules) must, to the extent permitted under all applicable laws and regulations, be satisfied by the listed issuer (i) sending or otherwise making available the corporate communication to the relevant holders of its securities using electronic means or (ii) making the corporate communication available on its website and the Stock Exchange's website. In light of the above, the Board proposed to amend the then Articles of Association which is approved by Shareholders at the annual general meeting held on 7 June 2024.

On 29 December 2023, the amendments to the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**PRC Company Law**") were adopted and effected on 1 July 2024. The new PRC Company Law makes changes to the current PRC Company Law, including reforming the company's capital system, enhancement in protection for the interests of minority shareholders, and strengthening of responsibilities of controlling shareholders, directors, supervisors and senior management members. As a result, the Company has made amendments to its then Articles of Association which is approved by Shareholders at the general meeting held on 22 August 2024.

The full text of the revised Articles of Association has been published on the websites of the Stock Exchange and the Company.

SHAREHOLDERS' COMMUNICATION POLICY

The Company believes that effective communication with Shareholder is essential to enhance investor relations and to keep investors informed of the Group's business performance and strategies. The Company has established various and a wide range of communication channels with Shareholders, including general meetings, annual results and interim results, annual reports and interim reports, announcements and circulars. Shareholders may make enquiries with the Company through the channels mentioned above, and provide comments and recommendations to the Directors or managements at any time. Upon receipt of written enquiries from Shareholders, the Company will get in touch with the Shareholders as soon as possible.

In addition, the Company updates its website from time to time to keep the Shareholders update of the recent development of the Company. The Company endeavours to maintain an ongoing dialogue with Shareholders. At the general meetings of the Company, the Directors (or their delegates as appropriate) will be available to meet with the Shareholders and answer their enquiries.

During the year ended 31 December 2024, 4 general meetings of the Company were convened and held on at which all the then Directors attended either by person or by means of electronic facilities to communicate with the Shareholders. Further, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner. Based on the review of the implementation and effectiveness conducted during the year ended 31 December 2024, the Board considers the shareholders communication policy effective and adequate.

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of residential property services, enterprise services and other services in the PRC.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of comprehensive income and the consolidated statement of financial position on pages 96 to 98 of this annual report.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past five financial years is set out on pages 212 to 213 of this annual report.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2024 are set out in note 29 to the consolidated financial statements. As at 31 December 2024, distributable reserves of the Company amounted to RMB nil.

BORROWINGS

During the year ended 31 December 2024, the Group had no borrowings.

DEBENTURES

During the year ended 31 December 2024, the Group did not issue any debentures.

DIVIDEND POLICY AND FINAL DIVIDEND

Dividend Policy

The Board recommended the cash dividend for the full year 2021-2025 of not less than 40% of profit attributable to owners of the Company for the year. The payment and amounts of dividends (if any) depend on the Group's results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividend paid by the Group, future prospects and other factors which the Group considers relevant. The declaration, payment and amount of dividends will be subject to the discretion of the Board. The proposed payment of dividends is also subject to the absolute discretion of the Board and any declaration of final dividend for the year will be subject to the approval of the Shareholders. The Board will review the dividend policy on an annual basis.

Final Dividend

The net loss attributable to owners of ordinary shares of the parent company for the year ended 31 December 2024 as shown on the consolidated financial statements amounted to RMB587,302,000.

According to the Articles of Association, in view of the negative profit available for distribution to investors in 2024, the conditions for dividend distribution are no longer available, and in view of the future development needs of the Company, the Company has proposed the profit distribution plan for 2024 as no cash dividend, no bonus shares and no capital reserve capitalization.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 3 June 2025 to 6 June 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of the H Shares accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 2 June 2025.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, revenue attributable to the five largest customers of the Group accounted for less than 10% of the Group's total revenue in the year, and the purchases attributable to the five largest suppliers of the Group accounted for less than 10% of the Group's total purchases in the year.

EQUITY LINKED AGREEMENTS

During the year ended 31 December 2024, save as disclosed in the section headed "Share Incentive Schemes," no equity-linked agreements were entered into by the Company or subsisted at the end of the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, the Company repurchased on the Stock Exchange a total of 26,933,200 H Shares. The share repurchase is aimed to enhance the returns to the Shareholders and reflect the Company's confidence in its business prospects, which is beneficial to all Shareholders. Details of the repurchases of the H Shares are as follows:

Month of repurchases	Number of H Shares repurchased	Highest price per H Shares (HK$)	Lowest price per H Shares (HK$)	Aggregate consideration (HK$)
January 2024	200,000	9.52	9.38	1,894,402
April 2024	436,200	9.28	8.38	3,893,547
May 2024	1,413,300	10.00	8.80	13,153,695
June 2024	4,211,500	9.19	7.85	35,184,363
July 2024	19,696,600	7.18	5.72	125,446,753
August 2024	485,300	8.00	7.45	3,799,041
September 2024	490,300	9.08	8.09	4,287,342
Total	26,933,200			187,659,143

Note: As at the date of this annual report, a total of 26,933,200 H Shares repurchased by the Company during the year ended 31 December 2024 have been fully cancelled.

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

THE LOAN

Reference is made to the announcement and circular of the Company dated 29 July 2022 and 1 August 2022 respectively in relation to the loan agreement (the "**Loan Agreement**") entered into between the Company as lender and Jinke Property as borrower dated 29 July 2022. Pursuant to the Loan Agreement, the Company has advanced RMB1,500 million (the "**Loan**") to Jinke Property at an interest rate of 8.6% per annum with a fixed term commencing from the date of drawdown and ending on 20 December 2024.

The Group has a long and stable cooperative relationship with the Jinke Property Group. When providing the Loan, the Directors were given an understanding that the progress of certain property development projects, which represented a small portion of the Jinke Property Group's portfolio of property development projects as a whole, was adversely affected by the impact of the COVID-19 pandemic and the Loan Agreement would give the Jinke Property Group more flexibility in the deployment of its overall short to medium term working capital to facilitate the timely delivery of its projects under development which may otherwise take longer to deliver due to the reallocation and deployment of capital required. By entering into the Loan Agreement, the Jinke Property Group will be able to ensure the construction and delivery of properties projects under development which the Group will in turn be engaged to provide property management services for after those properties are delivered. This is beneficial to the long-term development of the Group.

As Jinke Property Group failed to repay the principal amount and accrued interest in accordance with the Loan Agreement, the Company has taken legal action to the court in the PRC. On 29 March 2024, the Chongqing No. 1 Intermediate People's Court issued the Letter of Civil Mediation on Disputes over Loan Agreement in favor of the Company. In order to recover the outstanding amount, the Company has entered into a debt settlement arrangement with Jinke Property which is disclosed in the announcement of the Company dated 30 September 2024 and the circular 29 November 2024. For further details, please also refer to the paragraph headed "Debt Settlement Mandate" in this annual report.

REPORT OF THE DIRECTORS

BOARD OF DIRECTORS AND SUPERVISORS COMMITTEE

The Directors and the Supervisors during the year ended 31 December 2024 and up to the date of this annual report are set out below:

Executive Director

Mr. Xia Shaofei *(chairman)*

Non-executive Directors

Mr. Xu Guofu
Mr. Wu Xiaoli
Ms. Lin Ke
Mr. Shi Cheng
Mr. Qi Shihao

Independent Non-executive Directors

Ms. Yuan Lin
Ms. Xiao Huilin
Mr. Tung Woon Cheung Eric

Supervisors

Mr. Yu Yong
Mr. Luo Ruifeng
Ms. Ren Wenjuan

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

Each of the Directors and Supervisors entered into a service contract or appointment letter with the Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

The appointment of all the Directors (including all the non-executive Directors) is effective from the respective appointment date until the expiry of the term of the second session of the Board. The appointment of all the Supervisors is effective from the respective appointment date until the expiry of the term of the second session of the Supervisory Committee.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with any member of the Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual written confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules for the year ended 31 December 2024. The Company considers each of the independent non-executive Directors to be independent.

DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the Supervisors and those of the five highest paid individuals of the Group for the year ended 31 December 2024 are set out in notes 41 and 9 to the consolidated financial statements respectively.

Expect for Ms. Lin Ke, Mr. Wu Xiaoli and Mr. Qi Shihao who have waived her/his emoluments for acting as non-executive Directors, none of the Directors nor the Supervisors waived his/her emoluments or has agreed to waive his/her emoluments for the year ended 31 December 2024.

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

Save as disclosed, there was no transaction, arrangement or contract of significance subsisting during or at the end of the year ended 31 December 2024, to which the Company, its holding company or subsidiary was a party, and in which the Directors or the Supervisors or their respective connected entities were materially interested, either directly or indirectly.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, none of the Directors, the Supervisors nor their respective close associates were interested in any business apart from the Group's businesses, which competes or likely to compete, either directly or indirectly, with the businesses of the Group.

MANAGEMENT CONTRACTS

During the year ended 31 December 2024, save as disclosed, no contract concerning the management of the whole or substantial part of any business of the Company was entered into, or subsisted at the end of the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Incentive Schemes", none of the Company, its holding company, or any of its subsidiaries was a party to any arrangement enabling the Directors to acquire benefits by means of the acquisition of equity or debt securities, including the debentures of the Company or any other body corporate during the year ended 31 December 2024.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as disclosed, no contract of significance was entered into between the Company or any of its subsidiaries and a person who is a controlling shareholder of the Company as at 31 December 2024 or any of its subsidiaries, and no contract of significance for the provision of services to the Company or any of its subsidiaries by such a person or any of its subsidiaries was entered into during the year ended 31 December 2024.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(1) Debt Settlement Agreement

Reference is made to the announcements of the Company dated 2 January 2024 and the circular dated 27 March 2024.

Having considered that Jinke Property is primarily obliged to fulfill the "Guaranteed Delivery", in order to fulfillment of the "Guaranteed Delivery" by Jinke Property, and the reasons and benefits disclosed in the paragraphs headed "Reasons for and Benefits of the Debt Settlement Agreement" in the announcement of the Company dated 2 January 2024, on 29 December 2023, the Company entered into a debt settlement agreement ("**Debt Settlement Agreement**") with Jinke Property. Pursuant to the Debt Settlement Agreement, the Company and Jinke Property intends to settle RMB532,710,768.53 outstanding receivables (the "**Receivables**") due from Jinke Property Group arising from relevant continuing connected transactions through coordinating the members of Jinke Property Group to provide cash or assets (namely the car parking spaces owned by it) to offset the Receivables. If the Company and such member choose assets to offset the Receivables, Jinke Property shall produce the lists of the parking spaces available for offsetting the Receivables, and the Company is entitled to select the parking spaces listed on the list to offset the amounts not exceeding the Receivables on a dollar-for-dollar basis. For details, please refer to the announcement of the Company dated 2 January 2024 and the circular dated 27 March 2024.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. The Debt Settlement Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Debt Settlement Agreement exceed 5%, the Debt Settlement Agreement is subject to the reporting, annual review, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. At the Board meeting held to approve the Debt Settlement Agreement, Mr. Xu Guofu who holds management positions in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) and Mr. Shi Cheng who holds management positions in Jinke Property Group, has abstained from voting on the relevant Board resolution. The Debt Settlement Agreement (and the transactions contemplated thereunder) has been approved at the extraordinary general meeting of the Company held on 18 April 2024.

(2) **Debt Settlement Mandate**

Reference is made to the announcement of the Company dated 30 September 2024 and the circular 29 November 2024.

As the Jinke Property Group failed to repay the principal amount and the interest accrued according to the loan agreement (the "**Loan Agreement**") dated 29 July 2022, the Company had initiated the lawsuit against the Jinke Property Group in the court of PRC. On 29 March 2024, Chongqing First Intermediate People's Court issued the mediation letter, confirming the default and requiring the Jinke Property Group to repay the loan principal amount of RMB1,500 million and the corresponding accrued interest. In light of the default and pursuant to the applicable PRC law, Jinke Property shall procure its members to cooperate with the Group to conduct judicial auction for the offset assets to settle the receivables in accordance with the mediation letter. The proceeds from the judicial auction shall be used to repay the receivables after deducting the relevant expenses. The starting price for the judicial auction should be agreed between the Company and Jinke Property which should be around the appraised value. Should any of the offset assets failed to be disposed of through the judicial auction (the "**Remained Offset Assets**"), the Company intends to acquire the Remained Offset Assets at a settlement price to be agreed with Jinke Property Group which shall be applied to offset the remaining receivables on a dollar to dollar basis with a maximum purchase price (the "**Maximum Settlement Price**") being RMB1,059,040,000 (the "**Debt Settlement Mandate**"). Despite of the efforts made by the Group, Jinke Property has indicated that it will not enter into a definite written agreement with the Company for settlement of the offset assets as it is under the debt restructuring administration. Accordingly, the Board has sought the Debt Settlement Mandate from the independent shareholders with the Maximum Settlement Price for acquiring any Remained Offset Assets to offset the receivables. The Debt Settlement Mandate will be valid for one year commencing from date of obtaining approval from independent shareholders at the extraordinary general meeting. For details, please refer to the announcement of the Company dated 30 September 2024 and the circular dated 29 November 2024.

Jinke Property is a substantial shareholder of the Company. As such, Jinke Property is a connected person of the Company under the Listing Rules. The transaction contemplated under the Debt Settlement Mandate constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Debt Settlement Mandate exceed 5%, it is subject to the reporting, annual review, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. At the Board meeting held to approve the Debt Settlement Mandate, Mr. Xu Guofu who holds management positions in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) and Mr. Shi Cheng who holds management positions in Jinke Property Group, have abstained from voting on the relevant Board resolution. The Debt Settlement Mandate and the transaction contemplated thereunder was approved by the Independent Shareholders on the extraordinary general meeting held on 20 December 2024.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2024, the Company conducted the following transactions which constitute continuing connected transactions of the Company which are not fully-exempted under the Listing Rules, details of these transactions are set out below:

(1) Hotel Leasing Services Framework Agreement

On 31 December 2021, the Company entered into a hotel leasing services framework agreement with Jinke Property (the "**Hotel Leasing Services Framework Agreement**"), pursuant to which, the scope of service includes hotel leasing and related services to be provided by the Jinke Property Group to the Group, under which Jinke Property has agreed to lease and procure other members of the Jinke Property Group to lease certain hotel properties to the Group for the Group's operations. The Hotel Leasing Services Framework Agreement has a term commencing from the 1 January 2022 and ending on 31 December 2024 (both dates inclusive).

Pursuant to the Hotel Leasing Services Framework Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three years ending 31 December 2024 will not exceed RMB10 million, RMB10.3 million and RMB10.7 million, respectively. For the year ended 31 December 2024, the actual transaction amounts under the Hotel Leasing Services Framework Agreement was approximately RMB10.14 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual cap under the Hotel Leasing Services Framework Agreement exceeds 0.1% but all of which are less than 5%, the transactions contemplated under the Hotel Leasing Services Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) **Hotel Management Services Framework Agreement**

On 31 December 2021, the Company entered into a hotel management services framework agreement with Jinke Property (the "**Hotel Management Services Framework Agreement**"), pursuant to which, the scope of service includes hotel management, integrated catering and related services to be provided by the Group to the Jinke Property Group, including but not limited to (i) hotel project feasibility study services; (ii) hotel preopening technical consulting services; (iii) operation management services; (iv) integrated hotel services; and (v) integrated catering services. The Hotel Management Services Framework Agreement has a term commencing from the 1 January 2022 and ending on 31 December 2024 (both dates inclusive).

Pursuant to the Hotel Management Services Framework Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for the three years ending 31 December 2024 will not exceed RMB30 million, RMB31 million and RMB32 million, respectively. For the year ended 31 December 2024, the actual transaction amounts under the Hotel Management Services Framework Agreement was approximately RMB7.67 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual cap under the Hotel Management Services Framework Agreement exceeds 0.1% but all of which are less than 5%, the transactions contemplated under the Hotel Management Services Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(3) **The 2022 Master Sales Agreement**

On 29 October 2020, the Company (for itself and on behalf of its subsidiaries) entered into a master sales agreement with Jinke Property (for itself and on behalf of other members of Jinke Property Group and its associates) (the "**Master Sales Agreement**"). As the Master Sales Agreement expired on 31 December 2022 and the Group expected to continue to carry on the transactions contemplated thereunder upon its expiry, the Company and Jinke Property entered into the new master sales agreement on 29 July 2022 (the "**2022 Master Sales Agreement**"), pursuant to which Jinke Property will purchase, or procure other members of Jinke Property Group and its associates to purchase, from the Group customized gifts, daily necessities and festival foods, which will be used in the marketing promotional activities of Jinke Property Group and its associates, sales offices or as employee benefits of Jinke Property Group and its associates. The 2022 Master Sales Agreement has a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

Pursuant to the 2022 Master Sales Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three years ending 31 December 2025 will not exceed RMB19.0 million. For the year ended 31 December 2024, the actual transaction amounts under the 2022 Master Sales Agreement was approximately RMB0.028 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual cap under the 2022 Master Sales Agreement exceeds 0.1% but all of which are less than 5%, the transactions contemplated under the 2022 Master Sales Agreement are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(4) The 2022 Master Supply and Installation Agreement

On 29 October 2020, the Company (for itself and on behalf of its other subsidiaries) entered into a master supply and installation agreement with Jinke Property (for itself and on behalf of other members of Jinke Property Group and its associates) (the "**Master Supply and Installation Agreement**"). As the Master Supply and Installation Agreement expired on 31 December 2022 and the Group expected to continue to carry on the transactions contemplated thereunder upon its expiry, the Company and Jinke Property entered into the new master supply and installation agreement on 29 July 2022 (the "**2022 Master Supply and Installation Agreement**"), pursuant to which the Group agreed to (i) supply software systems and equipment such as (a) intelligent systems, including but not limited to access control and surveillance systems, parking lot intelligent management systems, smart home systems and intercom systems; (b) community unmanned retail system; and (c) multimedia display system; and (ii) provide related installation and maintenance services. The 2022 Master Supply and Installation Agreement has a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

Variation of terms to the 2022 Master Supply and Installation Agreement

On 15 December 2023, the Company and Jinke Property entered into a supplemental agreement to the 2022 Master Supply and Installation Agreement (the "**Supplemental Agreement to the 2022 Master Supply and Installation Agreement**"), pursuant to which the Company and Jinke Property agreed to (i) revise the existing annual caps for the continuing connected transactions in connection with the 2022 Master Supply and Installation Agreement for the two years ending 31 December 2025; and (ii) vary the payment terms under the 2022 Master Supply and Installation Agreement.

(a) Revised Annual Caps for Supply and Installation Services

Pursuant to the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, it is proposed that the annual caps for the continuing connected transactions in connection with the 2022 Master Supply and Installation Agreement for each of the two years ending 31 December 2025 will not exceed RMB30.0 million.

(b) Variation to payment terms under the 2022 Master Supply and Installation Agreement

Pursuant to the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, the Company and Jinke Property agreed to adopt the mechanism of accepting offset assets as additional means to settle the fees due and payable by the Jinke Property Group to the Group under the 2022 Master Supply and Installation Agreement.

Save for the above-mentioned revision pursuant to the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, all other terms of the 2022 Master Supply and Installation Agreement shall remain valid and in full force and effect.

Pursuant to the 2022 Master Supply and Installation Agreement and the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for the three years ending 31 December 2025 will not exceed RMB122.0 million, RMB30.0 million and RMB30.0 million, respectively. For the year ended 31 December 2024, the actual transaction amounts under the 2022 Master Supply and Installation Agreement was approximately RMB2.81 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios in respect of the highest amount of the annual caps under the 2022 Master Supply and Installation Agreement and the Supplemental Agreement to the 2022 Master Supply and Installation Agreement are more than 0.1% but all of which are less than 5%, the transactions contemplated under the 2022 Master Supply and Installation Agreement and the Supplemental Agreement to the 2022 Master Supply and Installation Agreement constitute continuing connected transactions of the Company and are subject to the reporting, announcement and annual review requirements but are exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(5) **The 2022 Master Property Management Services Agreement**

On 29 October 2020, the Company (for itself and on behalf of its other subsidiaries) entered into a master property management services agreement (the "**Master Property Management Services Agreement**") with Jinke Property (for itself and on behalf of other members of Jinke Property Group and its associates). As the Master Property Management Services Agreement expired on 31 December 2022 and the Group expected to continue to carry on the transactions contemplated thereunder upon its expiry, the Company and Jinke Property entered into the new master property management services agreement on 29 July 2022 (the "**2022 Master Property Management Services Agreement**"), pursuant to which the Group agreed to provide to Jinke Property Group and its associates certain property management services, including but not limited to (i) property pre-delivery and after-sales services, including but not limited to (a) preliminary planning and design consultancy services; (b) management services for the display units and on-site sales office; (c) house inspection; (d) pre-delivery clean services; (e) pre-delivery preparation; and (f) after-sales repair and maintenance services; (ii) property management services for the properties owned or used by the Jinke Property Group, including but not limited to the unsold residential property units, car parking lots, office buildings and commercial properties; and (iii) other related services. The 2022 Master Property Management Services Agreement has a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

Variation of terms to the 2022 Master Property Management Services Agreement

On 15 December 2023, the Company and Jinke Property entered into a supplemental agreement to the 2022 Master Property Management Services Agreement (the "**Supplemental Agreement to the 2022 Master Property Management Services Agreement**"), pursuant to which the Company and Jinke Property agreed to (i) revise the existing annual caps for the continuing connected transactions in connection with the 2022 Master Property Management Services Agreement for the two years ending 31 December 2025; and (ii) vary the payment terms under the 2022 Master Property Management Services Agreement.

(a) **Revised Annual Caps for Property Management Services**

Pursuant to the Supplemental Agreement to the 2022 Master Property Management Services Agreement, it is proposed that the annual caps for the continuing connected transactions in connection with the 2022 Master Property Management Services Agreement for each of the two years ending 31 December 2025 will not exceed RMB200.0 million.

(b) **Variation to payment terms under the 2022 Master Property Management Services Agreement**

Pursuant to the Supplemental Agreement to the 2022 Master Property Management Services Agreement, the Company and Jinke Property agreed to adopt the mechanism of accepting offset assets as additional means to settle the fees due and payable by the Jinke Property Group to the Group under the 2022 Master Property Management Services Agreement.

Save for the above-mentioned revision pursuant to the Supplemental Agreement to the 2022 Master Property Management Services Agreement, all other terms of the 2022 Master Property Management Services Agreement shall remain valid and in full force and effect.

Pursuant to the 2022 Master Property Management Services Agreement and the Supplemental Agreement to the 2022 Master Property Management Services Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three years ending 31 December 2025 will not exceed RMB800.0 million, RMB200.0 million and RMB200.0 million, respectively. For the year ended 31 December 2024, the actual transaction amounts under the 2022 Master Property Management Services Agreement was approximately RMB19.14 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios in respect of the highest amount of the annual caps under the 2022 Master Property Management Services Agreement and the Supplemental Agreement to the 2022 Master Property Management Services Agreement exceed 5%, the transactions contemplated under the 2022 Master Property Management Services Agreement and the Supplemental Agreement to the 2022 Master Property Management Services Agreement constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONFIRMATION FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the respective agreement governing the above continuing connected transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

CONFIRMATION FROM THE AUDITOR

In accordance with Rule 14A.56 of the Listing Rules, the Group has engaged its auditor to report on the Group's continuing connected transactions. The auditor of the Group have issued a letter to the Board confirming that nothing has come to their attention that causes them to believe that the above continuing connected transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded their respective annual cap.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2024 are disclosed in note 39 to the consolidated financial statements.

Save as disclosed in the paragraphs headed "Continuing Connected Transactions" and "Connected Transactions" and those described above, all other related party transactions as disclosed in note 39 to the consolidated financial statements are not connected transactions or continuing connected transactions which need to comply with the disclosure requirements under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements regarding the connected transactions and continuing connected transactions disclosed in this report in accordance with Chapter 14A of the Listing Rules.

SHARE INCENTIVE SCHEMES

The Company has not adopted any share option scheme. As at 31 December 2024, the share award schemes that need to be disclosed according to Rule 17.12 of the Listing Rules are listed as follow:

THE 2022 H SHARE AWARD SCHEME

On 30 December 2022, the Company adopted the 2022 H Share Award Scheme, the principal terms of which are set out below:

Purpose and Objectives

The 2022 H Share Award Scheme is a share award and trust scheme established by the Company to award Selected Participants. The objectives of the 2022 H Share Award Scheme are: (i) to improve the corporate governance of the Company with an interests balance mechanism among the Shareholders and the management of the Group; (ii) to incentivize the management of the Group to balance the Group's short-term and long-term goals in the Company's development process; and (iii) to attract and retain talents, stimulate creation of value sustainably and promote long term growth of the Group.

Eligible Participants

The eligible participant under the 2022 H Share Award Scheme includes any individual, being a director, manager, core business technicians or employee of the Group as the Board considers appropriate and shall not include the independent non-executive Directors of the Company.

Scheme Limits

The Board and the delegatee shall not make any further award of awarded Shares which will result in the number of H Shares awarded by the Board and the delegatee under the 2022 H Share Award Scheme exceeding 13,056,962 H Shares, representing 2.19% of the total number of Shares in issue as at the date of this annual report.

The maximum number of H Shares which may be awarded to a Selected Participant under the 2022 H Share Award Scheme shall not exceed 1% of the issued H Shares from time to time.

Vesting

Unless otherwise specified in the grant letter and given vesting conditions have been complied with, the award shall be granted in one lump sum and vested in batches within three years after the date of grant, i.e. the date of the grant letter. There is no minimum vesting period.

When the Selected Participant has satisfied all vesting conditions specified in the grant letter at the time of making the award and becomes entitled to the H Shares forming the subject of the award, the Board or the delegatee shall direct and procure the trustee to release the vested awarded Shares from the trust in one of the following manners: (i) to transfer the relevant awarded Shares to the relevant nominee account; (ii) to sell part of the relevant awarded Shares for the purposes of payment of withholding tax, and subsequently transfer the remaining relevant awarded Shares to the relevant nominee account; or (iii) to sell all relevant awarded Shares and have the proceeds of the sale to be paid to the relevant Selected Participant.

Other terms

Other than specified in the grant letter issued by the Company to the Selected Participants, there is (i) no amount payable on application or acceptance of the award and no specific period within which payments or calls must or may be made or loans for such purposes must be repaid; and (ii) no purchase price for the H Shares awarded. As at the date of this annual report, the remaining life of the 2022 H Share Award Scheme is approximately seven years and eight months.

The 2022 H Share Award Scheme is a discretionary scheme of the Company and constitutes a share award scheme funded by existing Shares under the Chapter 17 of the Listing Rules. Further details of the 2022 H Share Award Scheme were set out in the announcements of the Company dated 30 December 2022.

The Company has appointed a trustee for the purpose of the 2022 H Share Award Scheme and as at 31 December 2024, the Company has instructed the trustee to purchase a total of 7,097,325 H Shares from the open market at an aggregate consideration of approximately HK$136 million. During the year ended 31 December 2024, the Company awarded an aggregate of 3,503,000 awarded Shares to 69 Selected Participants. As at 31 December 2024, the number of H Shares held by the trustee that may be made available for future grant under the 2022 H Share Award Scheme was 3,594,325, representing 0.60% of the total issued share capital of the Company as at 31 December 2024.

Movement in the number of awarded Shares under the 2022 H Share Award Scheme during the year ended 31 December 2024 are as follows:

Category of participants	Unvested awarded Shares as at 1 Jan 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Forfeited during the Reporting Period	Unvested awarded Shares as at 31 Dec 2024	Date of grant of awarded Shares	Vesting period	Purchase price *(HK$)*	Closing price of the Shares immediately before date of grant of awarded Shares *(HK$)*	Closing price of the Shares immediately before the vested date of awarded Shares [(1)] *(HK$)*
Directors												
Xia Shaofei	430,000	–	119,900	–	–	9,100	301,000	8 June 2023	12 months	0	11.60	7.34
Top 5 highest paid	95,000	–	40,700	–	–	10,800	43,500	8 June 2023	12 months	0	11.60	7.34
employees of the Group	–	16,000	–	–	–	–	16,000	26 August 2024	12 months	0	7.34	–
Other employees	3,735,000	–	874,900	–	–	1,066,700	1,793,400	8 June 2023	12 months	0	11.60	7.34
of the Group	–	313,600	–	–	–	–	313,600	26 August 2024	12 months	0	7.34	–
Total	4,260,000	–	1,035,500	–	–	1,086,600	2,137,900	8 June 2023	12 months	0	11.60	7.34
	–	329,600	–	–	–	–	329,600	26 August 2024	12 months	0	7.34	–

Notes:

(1) The share price representing the weighted average closing price of the Shares immediately before the vested dates of awarded Shares.

(2) The awarded Shares will be vested subject to different performance targets including personal performance and operational outcomes of the Group as stipulated in each grant letter.

(3) The fair values of the awarded Shares on the dates of grant (i.e. 8 June 2023 and 26 August 2024) were HK$11.60 per Share and HK$7.34 per Share, respectively. For details of the accounting standard and policy adopted in relation to and the basis of the measurement of fair value of 2022 H Share Award Scheme, please see note 30 to the financial statements in this annual report.

THE 2023 SHARE AWARD SCHEME

On 30 March 2023, the Company adopted the 2023 Share Award Scheme, the principal terms of which are set out below:

Purposes and objectives

The purposes of the 2023 Share Award Scheme are to recognize the contributions by the Selected Participants and to provide them with incentives in order to motivate them for the continual development and growth of the Group, to attract and retain suitable personnel and to perfect the interests balance mechanism between the Shareholders and the management of the Group.

Eligible Participants

The eligible participant under the 2023 Share Award Scheme includes (i) the Directors and/or employees of the Group; (ii) directors and/or employees of the Jinke Property Group who would contribute to the Group's business development; and (iii) any other person, the administrative committee believes, would contribute to the Group's long-term business development.

Scheme Limits

The maximum amount to be caused by the Board to trustee for the purchase of award Shares shall not be more than RMB650,000,000. According to the closing trading price of the Shares on the adoption date (i.e. 30 March 2023), being Hong Kong dollars 12.4 per Share (approximately RMB10.882 per Share), the trustee may purchase 59,731,667 Shares for award, representing 10% of the total number of Shares in issue as at the date of this annual report. There is no the maximum entitlement limit for each participant under the 2023 Share Award Scheme.

Vesting and Lapse

There is no minimum vesting period for award Shares granted under the 2023 Share Award Scheme. Unless otherwise determined by the administrative committee at its discretion, the number of Shares awarded held by the trustee upon the trust and which are referrable to a Selected Participant shall be vested in that Selected Participant in accordance with specific conditions as determined by the administrative committee at its absolute discretion.

An award of Shares which have yet vested shall be forfeited if a Selected Participant (i) violated the law or professional ethics or disclosed confidential information of the Company; (ii) breached the duty or seriously violated the rule of the Company; (iii) caused damage to the Company's interests or reputation; or (iv) the Company terminated the labor contract with such Selected Participant due to any of the above reasons. The award, unless the administrative committee otherwise determines, will be forfeited and all the relevant awarded Shares shall not be vested on the relevant vesting date but become returned Shares for the purpose of the 2023 Share Award Scheme.

Other terms

Other than specified in the grant letter issued by the Company to the selected participants, there is (i) no amount payable on application or acceptance of the award and no specific period within which payments or calls must or may be made or loans for such purposes must be repaid; and (ii) no purchase price for the H Shares awarded. As at the date of this annual report, the remaining life of the 2023 Share Award Scheme is approximately seven years and eleven months.

The 2023 Share Award Scheme is a discretionary scheme of the Company and constitutes a share award scheme funded by existing Shares under the Chapter 17 of the Listing Rules. Further details of the 2023 Share Award Scheme were set out in the announcement of the Company dated 30 March 2023.

The Company has appointed a trustee for the purpose of the 2023 Share Award Scheme and as at 31 December 2024, the Company has instructed the trustee to purchase a total of 15,829,100 H Shares on the secondary market at an aggregate consideration of approximately HK$131.93 million. During the year ended 31 December 2024, the Company awarded an aggregate of 15,826,700 award Shares to 55 Selected Participants. As at 31 December 2024, the number of H shares held by the trustee that may be made available for future grant under the 2023 Share Award Scheme was 2,400. As at the date of this report, such 2,400 H Shares have been disposed of, and the number of H Shares available for future grant was nil.

Movement in the number of award Shares under the 2023 Share Award Scheme during the year ended 31 December 2024 are as follows:

Category of participants	Unvested awarded Shares as at 1 Jan 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Forfeited during the Reporting Period	Unvested awarded Shares as at 31 Dec 2024	Date of grant of awarded Shares	Vesting period	Purchase price *(HK$)*	Closing price of the Shares immediately before date of grant of awarded Shares *(HK$)*	Closing price of the Shares immediately before the vested date of awarded Shares[1] *(HK$)*
Directors												
Xia Shaofei	148,375	–	148,375	–	–	–	–	28 December 2023	12 months	0	10.96	7.55
	–	207,125	207,125	–	–	–	–	31 December 2024	Date of grant	0	7.51	7.51
Xu Guofu	148,375	–	148,375	–	–	–	–	28 December 2023	12 months	0	10.96	7.55
	–	1,355,825	1,355,825	–	–	–	–	31 December 2024	Date of grant	0	7.51	7.51
Shi Cheng	19,783	–	19,783	–	–	–	–	28 December 2023	12 months	0	10.96	7.55
	–	44,117	44,117	–	–	–	–	31 December 2024	Date of grant	0	7.51	7.51

Category of participants	Unvested awarded Shares as at 1 Jan 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Forfeited during the Reporting Period	Unvested awarded Shares as at 31 Dec 2024	Date of grant of awarded Shares	Vesting period	Purchase price *(HK$)*	Closing price of the Shares immediately before date of grant of awarded Shares *(HK$)*	Closing price of the Shares immediately before the vested date of awarded Shares[1] *(HK$)*
Top 5 highest paid employees of the Group	385,775	-	385,775	–	–	–	–	28 December 2023	12 months	0	10.96	7.55
	-	1,930,425	1,930,425	–	–	–	–	31 December 2024	Date of grant	0	7.51	7.51
Other grantees	2,265,192	-	2,265,192	–	–	–	–	28 December 2023	12 months	0	10.96	7.55
	-	9,321,708	9,321,708	–	–	–	–	31 December 2024	Date of grant	0	7.51	7.51
Total	2,967,500	-	2,967,500	–	–	–	–	28 December 2023	12 months	0	10.96	7.55
	-	12,859,200	12,859,200	–	–	–	–	31 December 2024	Date of grant	0	7.51	7.51

Notes:

(1) The share price representing the weighted average closing price of the Shares immediately before the vested dates of award Shares.

(2) The awarded Shares will be vested subject to different performance targets including personal performance and operational outcomes of the Group as stipulated in each grant letter.

(3) The fair values of the awarded Shares on the dates of grant (i.e. 28 December 2023 and 31 December 2024) were HK$10.96 per Share and HK$7.51 per Share, respectively.. For details of the accounting standard and policy adopted in relation to and the basis of the measurement of fair value of 2023 Share Award Scheme, please see note 30 to the financial statements in this annual report.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS

As at 31 December 2024, the interests and short positions of the Directors, Supervisors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

I. Interests and Short Positions of the Directors, Supervisors and the Chief Executive of the Company in the Registered Capital of the Company and its Associated Corporations

Interest in the Company

Name	Nature of Interest	Class of Shares	Interest in Shares(1)	Approx. % of issued Shares
Xia Shaofei (夏紹飛)	Beneficial owner	H shares	785,400 (L)	0.13%
Yu Yong (余勇)	Beneficial owner	H shares	20,700 (L)	0.00%
Ren Wenjuan (任文娟)	Beneficial owner	H shares	10,300 (L)	0.00%
Xu Guofu (徐國富)	Beneficial owner	H shares	1,504,200 (L)	0.25%
Shi Cheng (石誠)	Beneficial owner	H shares	63,900 (L)	0.01%
Han Qiang (韓強)	Beneficial owner	H shares	340,300 (L)	0.06%

Note:

(1) The letter "L" denotes the person's long position in the Shares. The Shares of the Company comprise of H Shares only.

Save as disclosed above, as at 31 December 2024, none of the Directors, Supervisors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF PERSONS OTHER THAN THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 31 December 2024, the following persons, other than a Director, Supervisor or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company[1]
			Number[1]	Percentage[1]	
				(approx.)	*(approx.)*
Boyu Group, LLC [2][3]	Interest of corporation controlled by you	H Shares	389,123,846 (L)	65.17	65.17
Mr. Tong Xiaomeng (童小幪)[2][3]	Interest of corporation controlled by you	H Shares	389,123,846 (L)	65.17	65.17
XYXY Holdings Ltd.[2][3]	Interest of corporation controlled by you	H Shares	389,123,846 (L)	65.17	65.17
Boyu Capital Fund V, L.P.[2][3]	Interest of corporation controlled by you	H Shares	384,643,646 (L)	64.42	64.42
Boyu Capital Fund V, Pte Ltd[2][3]	Interest of corporation controlled by you	H Shares	384,643,646 (L)	64.42	64.42
Boyu Capital General Partner V, Ltd.[2][3]	Interest of corporation controlled by you	H Shares	384,643,646 (L)	64.42	64.42

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares Number[1]	Percentage[1] (approx.)	Percentage of the total issued share capital of the Company[1] (approx.)
Jubilant Season Limited[2][3]	Interest of corporation controlled by you	H Shares	384,643,646 (L)	64.42	64.42
Jubilant Springtime, LP[2][3]	Interest of corporation controlled by you	H Shares	384,643,646 (L)	64.42	64.42
Jubilant Summer Limited[2][3]	Interest of corporation controlled by you	H Shares	384,643,646 (L)	64.42	64.42
Jubilant Winter Limited[2][3]	Interest of corporation controlled by you	H Shares	384,643,646 (L)	64.42	64.42
Broad Gongga Investment Pte Ltd[4]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	306,701,375 (L)	51.37	51.37
Top Yingchun Investment IV Ltd[2]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	306,701,375 (L)	51.37	51.37
Jubilant Autumn Limited[3]	Interest of corporation controlled by you	H Shares	77,942,271 (L)	13.05	13.05

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares Number[1]	Percentage[1] (approx.)	Percentage of the total issued share capital of the Company[1] (approx.)
Thematic Bridge Investment Pte. Ltd.	Beneficial owner	H Shares	77,942,271 (L)	13.05	13.05
Jinke Property[4]	Beneficial owner/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	306,701,375 (L)	51.37	51.37
Tianjin Hengye Meihao Management Consulting Partnership (Limited Partnership)* (天津恒業美好管理諮詢合夥企業(有限合夥)) ("**Tianjin Hengye**")	Beneficial owner	H Shares	50,516,464 (L)	8.46	8.46
Chongqing Jinhetong Trading Co., Ltd. (重慶金合通商貿有限公司) ("**Chongqing Jinhetong**")[5]	Interest in a controlled corporation	H Shares	50,516,464 (L)	8.46	8.46
Zhang Yuan (張原)[5]	Interest in a controlled corporation	H Shares	50,516,464 (L)	8.46	8.46
Liang Hong (梁宏)[6]	Other	H Shares	30,721,400 (L)	5.15	5.15
CITIC Securities Company Limited	Beneficial owner	H Shares	35,000,000 (L)	5.86	5.86

Notes:

(1) The letter "L" denotes the person's long position in the Shares or underlying Shares. The percentages are calculated based on the 597,088,700 H Shares in issue.

(2) Broad Gongga Investment Pte. Ltd. is held as to 100% by Top Yingchun Investment IV Ltd, which is in turn held as to 71.43% by Jubilant Summer Limited, a company held as to 100% by Jubilant Springtime, LP. Jubilant Winter Limited held 100% interests in Jubilant Springtime, LP as its limited partner. Jubilant Season Limited is the general partner of Jubilant Springtime, LP. Both of Jubilant Winter Limited and Jubilant Season Limited are held as to 100% by Boyu Capital Fund V, Pte, Ltd, which is in turn held as to 100% by Boyu Capital Fund V L.P. The general partner of Boyu Capital Fund V L.P. is Boyu Capital General Partner V, Ltd., which in turn held as to 100% by Boyu Group, LLC. Boyu Group, LLC is held as to 45.70% by XYXY Holdings Ltd., a company held as to 100% by Mr. Tong Xiaomeng. By virtue of the SFO, each of Top Yingchun Investment IV Ltd, Jubilant Summer Limited, Jubilant Springtime, LP, Jubilant Winter Limited, Jubilant Season Limited, Boyu Capital Fund V, Pte, Ltd, Boyu Capital Fund V L.P., Boyu Capital General Partner V, Ltd., Boyu Group, LLC, XYXY Holdings Ltd. and Mr. Tong Xiaomeng are deemed to be interested in the Shares held by Broad Gongga Investment Pte. Ltd..

(3) Thematic Bridge Investment Pte. Ltd. is 100% owned by Jubilant Autumn Limited, which is in turn 100% owned by Jubilant Summer Limited. Jubilant Summer Limited is 100% owned by Jubilant Springtime, LP. Jubilant Springtime, LP is managed by its general partner, Jubilant Season Limited and has one limited partner, Jubilant Winter Limited. Both Jubilant Season Limited and Jubilant Winter Limited are 100% owned by Boyu Capital Fund V, Pte, Ltd. Boyu Capital Fund V, Pte, Ltd is 100% owned by Boyu Capital Fund V L.P. Boyu Capital Fund V L.P. is managed by the Boyu Group, LLC. By virtue of the SFO, each of Jubilant Autumn Limited, Jubilant Summer Limited, Jubilant Springtime, LP, Jubilant Winter Limited, Jubilant Season Limited, Boyu Capital Fund V, Pte, Ltd, Boyu Capital Fund V L.P., Boyu Capital General Partner V, Ltd., Boyu Group, LLC, XYXY Holdings Ltd. and Mr. Tong Xiaomeng are deemed to be interested in the Shares held by Thematic Bridge Investment Pte. Ltd..

(4) Pursuant to a concert party agreement entered into between Jinke Property and Broad Gongga Investment Pte. Ltd. dated 15 December 2021, each of them is deemed to be interested in the Shares that the other person is interested in under section 317 of the SFO. Shenzhen Jinke Industrial Investment Fund Management Co., Ltd., a wholly-owned subsidiary of Jinke Property, holds 97,000 Shares.

(5) The general partner of Tianjin Hengye is Chongqing Jinhetong, which is wholly owned by Zhang Yuan. By virtue of the SFO, Chongqing Jinhetong and Zhang Yuan are deemed to be interested in the Shares held by Tianjin Hengye.

(6) According to the public information available, 27,627,100 Shares and 3,094,300 Shares were held by Hainan Shi Wa Private Equity Fund Management Co., Ltd.* (海南希瓦私募基金管理有限責任公司) and Shanghai Shiwa Private Fund Management Centre L.P.* (上海希瓦私募基金管理中心(有限合夥)) as manager, respectively, for the private equity investment funds managed by them. The ultimate controller of Hainan Shi Wa Private Equity Fund Management Co., Ltd.* (海南希瓦私募基金管理有限責任公司) and Shanghai Shiwa Private Fund Management Centre L.P.* (上海希瓦私募基金管理中心(有限合夥)) is Liang Hong.

Save as disclosed above, the Directors are not aware of any person (other than the Director, Supervisor or chief executive of the Company) who have interests or short positions in the Shares or underlying Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO.

PRE-EMPTIVE RIGHTS AND TAX RELIEF OR EXEMPTION

There is no provision on pre-emptive rights in the Articles of Association. The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

The Company did not enter into any new loan agreement, which contained any covenant relating to specific performance of the controlling shareholders of the Company and shall be disclosed as required by Rule 13.18 of the Listing Rules.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE OF THE COMPANY

Save as disclosed in the Corporate Governance Report, the Board is of the view that the Company has adopted, applied and complied with the principles and applicable code provisions as set out in the CG Code during the year ended 31 December 2024. The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 37 to 53 of this annual report.

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Company as at 31 December 2024 are set out in note 14 to the consolidated financial statements.

BUSINESS REVIEW

The Group's business review and its future business development are set out in the Chairman's statement on page 9 of this annual report. An analysis of the Group's business using financial key performance indicators, a description of the principal risks and uncertainties facing the Group are set out in the Management Discussion and Analysis on pages 10 to 27 of this annual report and note 3 to the consolidated financial statements.

A discussion on the Group's compliance with relevant laws and regulations that have a significant impact on the Group are set out in the sections headed "Compliance with Laws and Regulations" below. The Group's relationship with employees, customers and suppliers is set out in the section headed "Relationship with Stakeholders" below.

ENVIRONMENTAL PROTECTION

The Group is principally engaged in the provision of residential property services, enterprise services and other services in the PRC. The Group is committed to the long-term sustainability of the environment and communities in which it operates. The Group operates its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations. Further details of the Group's environmental policies and performance, please refer to the 2024 Environmental, Social and Governance Report of the Company to be published on the websites of the Company and of the Stock Exchange on the same date of publication of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2024, the Group had, in all material respects, complied with all the relevant and applicable PRC laws and regulations governing the business of property development and management and the Group had obtained all licenses, permits and certificates for the purpose of operating its business.

LITIGATION

Save as disclosed in this annual report, during the year ended 31 December 2024, the Company was not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

RELATIONSHIP WITH STAKEHOLDERS

The Group considers its employees as important stakeholders and cooperative partners. The Group has established an efficient incentive scheme to link its employees' performance with the Group's corporate goal, which further align their interest with the Group.

To attract and retain the core management team members of the Group and to motivate them to contribute to the development of the business of the Group, the Group launched the 2022 H Share Award Scheme and 2023 Share Award Scheme, which covered 124 of the Group's employees.

In addition to constantly improving incentive mechanism of the Group, the Group also continue to optimize its talent recruitment, training and cultivation as well as selection and promotion systems to ensure that the Group's management team is experienced, young and efficient. In order to attract more young talents to join the Group, the Group has implemented a recruitment plan for fresh graduates, namely the "Star Student (星悦生)" training program, which aims to recruit young talents who share similar value with the Group and pursue growth and potential, so as to keep the vitality of the core team of the Group.

Meanwhile, the Group have set up a training platform, the "Jinke Services Institute (金科生活服務學院)" which provides learning plans for employees at different stages. The platform encompasses four major training systems, namely new emerging force training, managerial staff training, professional staff training and young talents training. For example, the "Jialing (嘉陵)" project in the managerial staff training programs provides trainings that cultivate the global vision for the middle and senior management teams of the Group. Adhering to the concept of unity of knowing and doing, the Group organize study tours in the "Jialing (嘉陵)" project in some globally renowned enterprises and universities.

The Group's customer base primarily consists of property developers, property owners, residents, tenants and governmental authorities. The Group has established various procedures and systems to monitor and maintain the quality of its services in its managed projects. During the ordinary course of the Group's business operations, the Group receives feedbacks, suggestions and complaints from property owners and residents of the properties that the Group manages from time to time regarding its services. The Group has set up a national service hotline to manage customers' feedbacks and complaints. Customers may also send feedbacks or complaints through the Group's online platform "Jinke Grande Community APP" (金科大社區).

The Group's major suppliers primarily consists of sub-contractors of various services and vendors of various materials used for the services of the Group. During the year ended 31 December 2024, the Group selected sub-contractors through regular monitoring and evaluation of the performance of the sub-contractors.

CHARITABLE DONATIONS

The donations made by the Group during the year ended 31 December 2024 amounted to RMB55,000.

PERMITTED INDEMNITY PROVISIONS

According to the duty indemnity policy for the Directors, the Supervisors and the senior management of the Group, each Director, Supervisor and senior management of the Group is entitled to be indemnified by the Company against all losses or liabilities which he/she may sustain or incur in carrying out his/her functions. The Company has also arranged appropriate insurance in respect of potential legal actions against the Directors, the Supervisors and the senior management of the Group arising out of corporate activities.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As at the date of this annual report, the Group did not have any other significant event subsequent to 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules provides that there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities. This normally means that at least 25% of the issuer's total issued shares must at all times be held by the public. The Company has applied to the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules. Therefore, the Company's public float shall be the higher of (i) 21.0% of its total issued share capital immediately following the completion of the global offering (assuming that the Over-allotment Option is not exercised); and (ii) such percentage of H Shares to be held by public immediately after completion of the global offering (as increased by the H Shares issued upon exercise of the Over-allotment Option), provided that the higher of (i) and (ii) above is below the minimum public requirement of 25% under Rule 8.08(1) of the Listing Rules (the "**Public Float Waiver**").

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

CHANGES IN DIRECTOR'S, SUPERVISOR'S AND CHIEF EXECUTIVE'S BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in the section headed "Biographies of Directors, Supervisors and Senior Management," there is no other change in information of the Directors, Supervisors or the chief executive of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers, the auditor of the Company. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor will be proposed at the forthcoming AGM of the Company.

Reference is made to the announcement and circular of the Company dated 8 July 2024 and 5 August 2024 respectively. In order to maintain good corporate governance and enhance the financial internal control of the Group, with the recommendation of the audit committee of the Company, BDO China Shu Lun Pan Certified Public Accountants LLP ("**BDO CPAs**"), an independent auditor, in addition to PricewaterhouseCoopers, is proposed to be appointed as an ad hoc auditor of the Company (the "**Special Appointment**") to provide specific audit services of preparing an audited accountant report of the Group for the six months ended 30 June 2024 in accordance with China Accounting Standards for Business Enterprises with a proposed audit fee of RMB1.5 million, which was approved by the Shareholders at the extraordinary general meeting dated 22 August 2024.

Save as disclosed, there was no change in auditor of the Company in the past three years.

Jinke Smart Services Group Co., Ltd.
Xia Shaofei
Chairman of the Board

Chongqing, China, 26 March 2025

* *for identification purpose only*

REPORT OF THE SUPERVISORY COMMITTEE

During 2024, in accordance with the Listing Rules, the Articles of Association of the Company, the Rules of Procedure of the Supervisory Committee and other relevant regulations, the Supervisory Committee of the Company actively worked and performed the duties diligently in a spirit of dedication and diligence and with the aim to be responsible to our Shareholders. The Supervisory Committee closely monitored the operation of the Company, reviewed the financial condition of the Company, and supervised the duty performance of Directors and senior management. In addition, members of the Supervisory Committee attended certain Board meetings and general meetings to express independent opinions on the lawful operation of the Company, and fully safeguarded the interests of all Shareholders. We hereby report on the work of the Supervisory Committee of the Company for 2024 as follows:

The Supervisory Committee is of the view that, during 2024, the Company operated strictly in accordance with the requirements of relevant laws and regulations, such as the Listing Rules, and the internal control management system, such as the Articles of Association of the Company, and the Directors, senior management of the Company performed their duties diligently and faithfully in accordance with laws, regulations and the Articles of Association of the Company, thereby effectively protecting the interests of the Company and the Shareholders.

I. MEMBERS OF THE SUPERVISORY COMMITTEE AND CHANGES IN THE MEMBERS DURING THE REPORTING PERIOD

In 2024, the Supervisory Committee of the Company consists of three members, including a chairman of the Supervisory Committee, a Supervisor and an employee representative Supervisor. The terms of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of his/her term in accordance with the requirements of Articles of Association of the Company.

The constitution of the Supervisory Committee is as follows:

Name	Position	Appointment Date	Duties
Mr. Yu Yong	Chairman of the Supervisory Committee	8 June 2023	Presiding over the work of the Supervisory Committee and supervising the Board and senior management of the Company
Mr. Luo Ruifeng	Supervisor	8 June 2023	Responsible for supervising the Board and the senior management of the Company
Ms. Ren Wenjuan	Employee Representative Supervisor	22 March 2023	Responsible for supervising the Board and the senior management of the Company

II. MAJOR WORK OF THE SUPERVISORY COMMITTEE IN 2024

During 2024, with the aim to be responsible to all our Shareholders, the members of the Supervisory Committee strengthened coordination and cooperation with the Board and the senior management, earnestly performed supervisory duties, listened to and considered all major proposals of the Company, kept abreast of the operating and performance of the Company to exercise their oversight role effectively, and promoted the standardized operation and healthy development of the Company, thus safeguarding the rights and interests of the Company and the Shareholders.

(I) Convening meetings of the Supervisory Committee according to laws, and earnestly performing supervisory duties

During the reporting period, the Supervisory Committee held two meetings of the Supervisory Committee and attended the general meeting and the Board meeting to listen to the production and operation, investment activities and financial operation of the Company, participated in the decision-making process of major matters of the Company, and reviewed the periodic reports of the Company and relevant information during the year in strict accordance with the regulations of the regulatory authorities.

The Supervisors reviewed the meeting materials carefully, studied and discussed the proposals fully, and performed their duties as supervisors conscientiously. The details about the attendance of Supervisors at the meetings of the Supervisory Committee, Board meetings and general meetings are as follows:

Name	Type of Supervisor	Number of meetings attended	Number of meetings convened	Attendance rate
Mr. Yu Yong (Chairman)	Shareholder Representative Supervisor	6	6	100%
Mr. Luo Ruifeng	Shareholder Representative Supervisor	6	6	100%
Ms. Ren Wenjuan	Employee Representative Supervisor	6	6	100%

(II) Supervising the performance of duties by the Directors and senior management of the Company

During 2024, the members of the Supervisory Committee earnestly supervised the performance of duties by the Directors and senior management of the Company through attending the meetings of the Board, reviewing the resolutions of the Board, and inspecting the daily operation and management of the Company.

(III) Supervising the operation of the Company

During 2024, members of the Supervisory Committee participated in the discussion about major operating decisions by attending Board meetings and general meetings held by the Company, inspected financial condition, reviewed financial reports and reviewed and supervised the Company's operations. The Supervisory Committee is of the view that, the business activities of the Company were carried out in compliance with relevant laws and regulations and the Articles of Association of the Company. No matter to the prejudice of the interests of the Shareholders and the Company were found.

(IV) Exercising effective supervision with focus on the Company's strategies

The chairman of the Supervisory Committee paid close attention to the Company's operations and major issues, actively supported the Company's priorities and played its role in supervision and promotion earnestly, by attending major meetings such as the CEO's office meeting and monthly business plan meetings for various business groups.

III. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE

(I) Lawful operation

The Company operated and managed its businesses in accordance with the laws and regulations, and its operational results were objective and true. There has been gradual improvement in its internal control management, and the internal control system was reasonable and effective. The Company's operational decision-making processes were legitimate. The Directors and senior management were cautious, conscientious and diligent in the business operations and management processes, and they were not found to have breached any laws, regulations, or the Articles of Association of the Company or harmed the interests of the Shareholders.

(II) Financial report

The Supervisory Committee conducted a careful and detailed inspection of the Company's financial condition, and reviewed the Group's audited financial report for the year ended 31 December 2024 and other financial information. It believed that the financial report has reflected the Company's operating results and financial condition in a comprehensive, truthful and objective manner. Financial accounts were unambiguous, accounting and financial management were in compliance with relevant regulations, and no problem was found. The Company was not aware of any violation of the relevant accounting standards and legal requirements by the personnel who were involved in the preparation and review of the annual report; the unqualified opinion on financial report issued by the auditing institution was objective and fair.

(III) Evaluation results of the performance of Directors and senior management

The Supervisory Committee is of the view that, the Directors and senior management of the Company observed laws and disciplines, exercised due diligence with pragmatism and dedication, performed their duties diligently and dutifully, and the decision-making procedures were lawful.

(IV) Continuing connected transactions

During 2024, continuing connected transactions of the Company were entered into on normal commercial terms. There was no prejudice against the interests of the Company. The deliberation, voting, disclosure and performance of continuing connected transactions were in compliance with relevant laws, regulations and the Articles of Association of the Company.

(V) Use of proceeds

During 2024, the Company used a total of approximately HK$603.7 million of the proceeds mainly for selective strategic investment and acquisition, thus effectively supplementing the size of the property under management of the property management service, the principal business of the Company. The Company repurchased and cancelled 26,933,200 shares from the open market with a total cost of approximately HK$187,659,143.

As of 31 December 2024, the accumulated proceeds utilized by the Company amounted to approximately HK$5,147.6 million, and the unutilized proceeds amounted to approximately HK$1,513.3 million.

(VI) Internal control and risk management

The Company is committed to building a scientific and sound risk management system to secure a positive development path. The Company strictly abides by the relevant laws and regulations as well as articles of association of the Company, including the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Basic Norms for the Internal Control of Enterprises. The Supervisory Committee conducted supervision and evaluation on the internal control evaluation of the Company's internal and external auditors for 2023 and reviewed the Self-evaluation Report on Jinke's Risk Management and Internal Control for 2024. The Supervisory Committee is of the view that the Company has basically established a relatively sound internal control system, and formulated a relatively perfect and reasonable internal control system; the Company's internal control system is in compliance with the relevant national regulations and the requirements of the securities regulatory authorities; the internal controls are well implemented in all aspects of the Company's operation such as production and operation, and there are no major and significant deficiencies in the Company's internal control activities. The Self-evaluation Report on Internal Control for 2024 issued by the Board objectively reflected the actual situation of the Company's internal control, and truthfully and objectively evaluated the formulation, improvement and implementation of the Company's internal control system.

IV. MAJOR INITIATIVES OF THE SUPERVISORY COMMITTEE FOR 2025

The Supervisory Committee will strictly comply with the laws and regulations, Articles of Association of the Company and the Rules of Procedure of the Supervisory Committee and other requirements of the relevant provisions to conduct discussion of daily business of the Supervisory Committee and diligently and responsibly perform their duties. The important work for 2024 includes (1) to convene meetings of the Supervisory Committee according to the actual situation of the Company and review and consider various resolutions; (2) to review the Company's financial position by regularly understanding and reviewing financial reports, and monitor the financial operation of the Company in order to prevent against operational risks; and (3) to actively participate in the Board meetings, general meetings and other important meetings as well as the decision-making process in relation to material matters, collect opinions from cadres and employees, earnestly fulfill supervision responsibilities, maintain supervision independence, and enhance standardization and effectiveness of supervision, better safeguarding the interests of the Company and all Shareholders.

Jinke Smart Services Group Co., Ltd.
The Supervisory Committee
26 March 2025

pwc

羅兵咸永道

To the Shareholders of Jinke Smart Services Group Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

OPINION

What we have audited

The consolidated financial statements of Jinke Smart Services Group Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which are set out on pages 96 to 211, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of trade receivables
- Impairment assessment of loan receivables and other receivables

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment assessment of trade receivables	
Refer to Note 4 "Critical accounting estimates and judgments" and Note 23 "Trade and bill and other receivables and prepayments" to the consolidated financial statements. As at 31 December 2024, the gross amount of trade receivables of the Group amounted to approximately RMB2,724,222,000, which represented approximately 41% of the total assets of the Group. Management has assessed the expected credit losses ("ECL") of trade receivables and the Group has recognized loss allowance on these trade receivables of approximately RMB1,599,390,000 as at 31 December 2024. The Group applied the HKFRS 9 simplified approach to measure lifetime ECL allowance for trade receivables. For trade receivables with remarkably different credit risk characteristics and occurrence of credit impairment, ECL assessment was performed on an individual basis. Management evaluated the 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, and made corresponding provision for ECL according to loss rate and the related probability weight under different scenarios.	We have performed the following procedures to address this key audit matter: 1) Assessed the inherent risk of material misstatement of ECL of trade receivables by considering the degree of estimation uncertainty and level of other inherent risk factors; 2) Understood, evaluated and tested the key controls, on sample basis, in place over management's assessment on the ECL and ageing analysis review of trade receivables; 3) Evaluated the outcome of prior period assessment of provision for ECL of trade receivables to assess the effectiveness of management's estimation process by comparing the ECL as estimated in the prior year against the actual collection performance of the debtors in the current year;

Key Audit Matters	How our audit addressed the Key Audit Matters
For trade receivables without occurrence of credit impairment, management estimated the ECL rates of trade receivables collectively by grouping the trade receivables based on shared credit risk characteristics and aging periods, and considering the market conditions, their knowledge about the customers group (including their credit ratings, financial capability and payment histories), and the current and forward-looking information on macroeconomic factors that might affect the ability of the customers to settle the related receivables. The major management judgements and assumptions adopted in the measurement of expected credit loss mainly include: (1) selecting appropriate models to measure ECL and grouping customers with similar credit risk characteristics into one separate portfolios; (2) establishing criteria for significant increase of credit risk and occurrence of default credit impairment; (3) selecting appropriate economic indices, economic scenarios and the weights used in forward-looking parameters, as well as establishing future cash flow forecasts for separate assessments of specific trade receivables. We identified the impairment assessment of trade receivables as a key audit matter due to the significance of the balance to the consolidated financial statements, combined with the significant degree of estimation uncertainty and subjectivity in relation to the ECL assessment. Management's measurement of expected credit loss based on separate assessment involved significant managerial judgements and assumptions, and management's measurement of expected credit losses based on groups involved both complex models and significant managerial judgements and assumptions.	4) Assessed the reasonableness of methods and assumptions used and judgments made by management by (a) assessing the appropriateness of the expected credit loss provisioning methodology, (b) inquiring management regarding the credit worthiness of customers, (c) analyzing historical payment pattern of customers, (d) checking the accuracy, on a sample basis, of the key data inputs such as the aging schedule of trade receivables, (e) testing the accuracy of the calculations of expected credit loss rates based on the historical loss and forward-looking information, (f) evaluated the rationality of management's assumptions of expected cash flow distribution based on business model, and ECL rate and related probability weight under different scenarios and (g) evaluating the reasonableness of the forward-looking adjustments made by management; 5) Evaluated the results of management's sensitivity analysis using reasonably possible changes of the relevant key parameters; 6) Checked the mathematical accuracy of the ECL calculation for the loss allowance on trade receivables. Based on the above, we considered that the significant judgements and estimates made by management in relation to the impairment assessment of trade receivables were supportable by the evidence obtained and procedures performed.

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment assessment of loan receivables and other receivables Refer to Note 4 "Critical accounting estimates and judgments" and Note 21 "Loan receivables" and Note 23 "Trade and bill and other receivables and prepayments" to the consolidated financial statements. As at 31 December 2024, the gross amount of loan receivables and other receivables (including finance lease receivables) of the Group amounted to approximately RMB2,903,627,000, which represented approximately 43% of the total assets of the Group. Management has assessed the ECL of loan receivables and other receivables and the Group has recognized loss allowance on loan receivables and other receivables of approximately RMB2,248,172,000 as at 31 December 2024. The Group applied the 3-stage model approach to measure ECL allowance for loan receivables and other receivables. For loan receivables and other receivables with remarkably different credit risk characteristics and occurrence of credit impairment, ECL assessment was performed on an individual basis. Management evaluated the 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, and made corresponding provision for ECL according to loss rate and the related probability weight under different scenarios. For other receivables without occurrence of credit impairment, management estimated the ECL rates of other receivables collectively by grouping the other receivables based on shared credit risk characteristics and aging periods, and considering the market conditions, their knowledge about the customers group (including their credit ratings, financial capability and payment histories), and the current and forward-looking information on macroeconomic factors that might affect the ability of the customers to settle the related receivables.	We have performed the following procedures to address this key audit matter: 1) Assessed the inherent risk of material misstatement of ECL of loan receivables and other receivables by considering the degree of estimation uncertainty and level of other inherent risk factors; 2) Evaluated the outcome of prior period assessment of provision for ECL of loan receivables and other receivables to assess the effectiveness of management's estimation process by comparing the ECL as estimated in the prior year against the actual collection performance of the debtors in the current year; 3) Assessed the reasonableness of methods and assumptions used and judgments made by management by (a) assessing the appropriateness of the expected credit loss provisioning methodology, (b) inquiring management regarding the credit worthiness of customers, (c) analyzing historical payment pattern of customers, (d) checking the accuracy, on a sample basis, of the key data inputs, (e) testing the accuracy of the calculations of expected credit loss rates based on the historical loss and forward-looking information, (f) evaluated the rationality of management's assumptions of expected cash flow distribution based on business model, and ECL rate and related probability weight under different scenarios and (g) evaluating the reasonableness of the forward-looking adjustments made by management;

Key Audit Matters	How our audit addressed the Key Audit Matters
The major management judgements and assumptions adopted in the measurement of expected credit loss mainly include: (1) selecting appropriate models to measure ECL and grouping businesses with similar credit risk characteristics into one separate portfolios; (2) establishing criteria for significant increase of credit risk and occurrence of default credit impairment; (3) selecting appropriate economic indices, economic scenarios and the weights used in forward-looking parameters, as well as establishing future cash flow forecasts for separate assessments of specific loan receivables and other receivables. We identified the impairment assessment of loan receivables and other receivables as a key audit matter due to the significance of the balance to the consolidated financial statements, combined with the significant degree of estimation uncertainty and subjectivity in relation to the ECL assessment. Management’s measurement of expected credit loss based on separate assessment involved significant managerial judgements and assumptions, and management’s measurement of expected credit losses based on groups involved both complex models and significant managerial judgements and assumptions.	4) Evaluated the results of management’s sensitivity analysis using reasonably possible changes of the relevant key parameters; 5) Checked the mathematical accuracy of the ECL calculation for the loss allowance on loan receivables and other receivables. Based on the above, we considered that the significant judgements and estimates made by management in relation to the impairment assessment of loan receivables and other receivables were supportable by the evidence obtained and procedures performed.

OTHER INFORMATION

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

Our opinion on the 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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 this independent auditor's report is Pong Fei Ho.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 26 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	6	**4,585,435**	4,979,741
Cost of sales	8	**(3,925,421)**	(4,051,564)
Gross profit		**660,014**	928,177
Selling and marketing expenses	8	**(29,540)**	(2,150)
Administrative expenses	8	**(614,224)**	(602,763)
Net impairment losses on financial assets	3.1.3	**(556,556)**	(1,470,565)
Other income	7	**55,852**	149,703
Other losses – net	10	**(64,748)**	(166,354)
Operating loss		**(549,202)**	(1,163,952)
Finance income		**27,249**	46,455
Finance cost		**(8,982)**	(13,981)
Finance income – net	11	**18,267**	32,474
Share of net profits of associates and joint ventures accounted for using the equity method	15	**20,113**	11,933
Impairment loss on investment in an associate	15	**(35,976)**	–
Loss before income tax		**(546,798)**	(1,119,545)
Income tax (expenses)/credit	12	**(4,178)**	137,884
Loss and total comprehensive income for the year		**(550,976)**	(981,661)
Loss and total comprehensive income attributable to:			
– Owners of the Company		**(587,302)**	(951,038)
– Non-controlling interests		**36,326**	(30,623)
		(550,976)	(981,661)
Losses per share (expressed in RMB per share)			
– Basic and diluted losses per share	13	**(0.98)**	(1.49)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	16	**144,319**	162,297
Right-of-use assets	16	**220,876**	256,916
Investment properties	17	**13,297**	18,859
Goodwill	18	**268,257**	324,681
Other intangible assets	18	**222,083**	289,297
Investments in associates and joint ventures	15	**178,948**	187,594
Other receivables	23	**76,444**	80,271
Prepayments for acquisition of equity interests	23	**6,825**	14,219
Term deposits	25	**296,873**	120,000
Financial assets at fair value through profit or loss ("FVPL")	27	**45,844**	45,317
Deferred income tax assets	34	**564,422**	490,941
		2,038,188	1,990,392
Current assets			
Inventories	19	**26,880**	28,452
Other assets	20	**13,361**	11,673
Loan receivables	21	**308,505**	372,200
Trade and bill and other receivables and prepayments	23	**1,498,675**	2,093,827
Financial assets at FVPL	27	**97,233**	3,000
Restricted cash	26	**227,589**	152,238
Term deposits	25	**98,828**	100,000
Cash and cash equivalents	24	**2,406,107**	2,905,545
		4,677,178	5,666,935
Total assets		**6,715,366**	7,657,327

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		As at 31 December	
		2024	2023
	Note	*RMB'000*	*RMB'000*
Equity			
Equity attributable to owners of the Company			
Share capital	28	**597,089**	639,479
Other reserves	29	**5,332,503**	5,428,993
Accumulated losses	29	**(2,577,840)**	(1,990,538)
		3,351,752	4,077,934
Non-controlling interests		**30,175**	19,313
Total equity		**3,381,927**	4,097,247
Liabilities			
Non-current liabilities			
Lease liabilities	33	**115,575**	97,417
Financial instruments issued to investors	32	**–**	44,989
Deferred income tax liabilities	34	**31,876**	44,871
		147,451	187,277
Current liabilities			
Financial liabilities at fair value through profit or loss	27	**32,878**	38,435
Trade and bill and other payables	31	**2,201,744**	2,372,376
Lease liabilities	33	**16,115**	26,515
Contract liabilities	6(a)	**888,442**	880,682
Current income tax liabilities		**46,809**	54,795
		3,185,988	3,372,803
Total liabilities		**3,333,439**	3,560,080
Total equity and liabilities		**6,715,366**	7,657,327

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 96 to 211 were approved by the Board of Directors on 26 March 2025 and were signed on its behalf.

Mr. Xia Shaofei	**Mr. Yan Lingyang**	**Mr. Qi Shihao**
Chairman & Executive Director	*Chief Financial Officer*	*Non-executive Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RMB'000 (Note 28)	Other reserves RMB'000 (Note 29)	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the Company					
Balance at 1 January 2023		652,848	5,713,435	(1,039,500)	5,326,783	73,582	5,400,365
Comprehensive income							
Loss for the year		–	–	(951,038)	(951,038)	(30,623)	(981,661)
Transactions with owners of the Company							
Cancellation of shares	29(b)	(13,369)	13,369	–	–	–	–
Contribution from non-controlling shareholders of subsidiaries		–	–	–	–	1,684	1,684
Acquisition of additional interests in a subsidiary		–	(84)	–	(84)	(2,056)	(2,140)
Share-based compensation	30	–	14,616	–	14,616	–	14,616
Dividend declared to non-controlling interests		–	–	–	–	(12,269)	(12,269)
Repurchase of shares of the Company	29	–	(266,979)	–	(266,979)	–	(266,979)
Purchase of shares in connection with share award scheme	29	–	(45,364)	–	(45,364)	–	(45,364)
Disposals of subsidiaries	37	–	–	–	–	(10,075)	(10,075)
Deregistration of subsidiaries		–	–	–	–	(930)	(930)
Balance at 31 December 2023		639,479	5,428,993	(1,990,538)	4,077,934	19,313	4,097,247

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the Company					
	Note	Share capital *RMB'000* *(Note 28)*	Other reserves *RMB'000* *(Note 29)*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2024		639,479	5,428,993	(1,990,538)	4,077,934	19,313	4,097,247
Comprehensive income							
(Loss)/profit for the year		–	–	(587,302)	(587,302)	36,326	(550,976)
Transactions with owners of the Company							
Cancellation of shares	29(b)	(42,390)	42,390	–	–	–	–
Contribution from non-controlling shareholders of subsidiaries		–	–	–	–	700	700
Acquisition of additional interests in a subsidiary		–	(415)	–	(415)	(2,055)	(2,470)
Share-based compensation	30	–	125,572	–	125,572	–	125,572
Dividend declared to non-controlling interests		–	–	–	–	(13,529)	(13,529)
Repurchase of shares of the Company	29	–	(171,600)	–	(171,600)	–	(171,600)
Purchase of shares in connection with share award scheme	29	–	(92,437)	–	(92,437)	–	(92,437)
Return of capital to non-controlling interests		–	–	–	–	(2,058)	(2,058)
Disposals of subsidiaries	37	–	–	–	–	(7,429)	(7,429)
Deregistration of subsidiaries		–	–	–	–	(1,093)	(1,093)
Balance at 31 December 2024		597,089	5,332,503	(2,577,840)	3,351,752	30,175	3,381,927

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RMB'000	2023 RMB'000
		Year ended 31 December	
Cash flows from operating activities			
Cash generated from operations	36(a)	**318,883**	511,283
Interest received		**27,249**	46,455
Income tax paid		**(101,533)**	(106,622)
Net cash generated from operating activities		**244,599**	451,116
Cash flows from investing activities			
Purchases of property, plant and equipment		**(50,212)**	(47,808)
Purchase of intangible assets		**(4,428)**	(13,869)
Proceeds from disposal of right of use assets		**34,587**	–
Proceeds from disposal of property, plant and equipment and intangible assets		**7,425**	2,941
Proceeds from disposal of other assets		**–**	2,237
Proceeds from disposal of an investment property		**–**	14,254
Proceeds from disposal of financial assets at FVPL	10	**678,212**	–
Acquisition of financial assets at FVPL		**(756,533)**	(3,000)
Capital injection to the associates and joint ventures	15	**(19,589)**	(10,812)
Dividends received from investments accounted for using the equity method	15	**11,764**	17,048
Acquisition of subsidiaries (net of cash and cash equivalent acquired)		**–**	(91,540)
Receipt of performance guarantee deposits for acquisition of equity interests		**38,723**	180,526
Repayment of principal and interests for loans due from a joint venture	39(b)	**10,554**	–
Increase in restricted cash due to litigation over acquisitions of equity interests	26	**(84,180)**	–
Disposal of subsidiaries (net of cash and cash equivalents disposed)	37	**(8,306)**	(9,282)
Increase in term deposits		**(546,310)**	(220,000)
Increase in restricted cash for performance guarantee to a joint venture		**(33,000)**	(20,000)
Proceeds from maturity of term deposits		**382,228**	–
Settlement of financial liabilities for contingent consideration payable	3.3(b)	**(6,904)**	(2,770)
Loans to a joint venture	39(b)	**(2,000)**	(29,000)
Proceeds from finance lease		**5,294**	5,396
Prepayments for acquisition of equity interests		**–**	(14,219)
Deregistration of a joint venture		**–**	736
Disposal of an associate		**245**	–
Settlement of outstanding considerations payable for business combinations in the prior year		**(47,954)**	(30,511)
Net cash used in investing activities		**(390,384)**	(269,673)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from financing activities			
Principal elements and interest elements of lease payments	36(b)	**(16,090)**	(19,643)
Dividends paid to non-controlling interests	36(b)	**(15,239)**	(9,819)
Listing expenses paid		**–**	(1,284)
Acquisition of additional interests in subsidiaries		**(3,041)**	(1,570)
Capital contribution from non-controlling interests		**700**	1,484
Purchase of shares for cancellation	29(b)	**(171,600)**	(266,979)
Purchase of shares for share award scheme	29(c)	**(92,437)**	(45,364)
Return of capital to non-controlling interests		**(2,058)**	–
Increase in restricted cash for purchase of shares		**(1,666)**	–
Settlement of financial instruments issued to investors	32	**(46,041)**	–
Net cash used in financing activities		**(347,472)**	(343,175)
Net decrease in cash and cash equivalents		**(493,257)**	(161,732)
Cash and cash equivalents at beginning of year		**2,905,545**	3,069,784
Exchange losses on cash and cash equivalents		**(6,181)**	(2,507)
Cash and cash equivalents at end of year		**2,406,107**	2,905,545

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

Jinke Smart Services Group Co., Ltd. (the "Company" or "Jinke Services", formerly known as "Jinke Property Service Group Co., Ltd.") was established in the People's Republic of China (the "PRC") as a limited liability company on 18 July 2000. The address of the Company's registered office is No. 484-1 Panxi Road, Shimahe Street, Jiangbei District, Chongqing, PRC.

The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 November 2020 (the "Listing").

The Company and its subsidiaries (the "Group") are primarily engaged in the provision of residential property services, enterprise services and other services in the PRC.

On 27 September 2022, the Company and Thematic Bridge Investment Pte. Ltd. (the "Offeror") jointly announced that the Offeror would make a voluntary conditional general cash offer to acquire all of the shares of the Company (the "Offer"). The Offeror is an investment holding company incorporated in Singapore which is controlled by funds managed by subsidiaries of Boyu Group, LLC ("Boyu") in their capacity as the general partner of such funds.

Before the completion of the Offer, Boyu was the second largest shareholder of Jinke Services, Boyu and its subsidiaries (the "Boyu Group") owned 22.69% of the total issued share capital of the Company at that moment. The Company's largest shareholder and original parent company was Jinke Property Group Co., Ltd. ("Jinke Property"), a real estate company established in the PRC and listed on the Shenzhen Stock Exchange Co., Ltd., stock code SZ 000656. Jinke Property and its subsidiaries ("Jinke Property Group") owned 30.34% of the total issued share capital of the Company.

On 22 November 2022, the Offeror and the Company jointly announced the results of the Offer. Approximately 7.15% of the issued share capital of the Company were purchased by the Offeror on-market, and approximately 4.79% of the issued share capital of the Company had received valid acceptances by the Offeror, hence Boyu Group became the largest shareholder of the Company with shareholding ratio of 34.63%. Both Boyu and Jinke Property have significant influence over Jinke Services as a result of the Offer. As at 31 December 2024, Boyu Group owned 37.86% of the total issued share capital of the Company.

On 26 December 2023, 35,000,000 shares of the Company beneficially owned by Jinke Property had been transferred to a third-party as a result of an enforcement of judicial ruling against Jinke Property. Immediately following the transfer of shares, the shareholding of Jinke Property Group in the Company has decreased to 162,977,875 Shares, representing approximately 25.49% of the total issued share capital of the Company. As at 31 December 2024, Jinke Property Group owned 27.30% of the total issued share capital of the Company.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "Board") on 26 March 2025.

2 BASIS OF PREPARATION

(i) Compliance with HKFRS and Hong Kong Companies Ordinance ("HKCO")

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the HKCO Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRS 16	Lease Liability in Sale and Leaseback
HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amendments and interpretation listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2 BASIS OF PREPARATION *(Continued)*

(iv) New standards and interpretations not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Hong Kong Interpretation 5 presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the Group's consolidated financial statements is expected when they become effective.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's activities expose it to a variety of financial risks: foreign exchange risk, market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Foreign exchange risk

The Group's businesses are principally conducted in RMB, which is the functional currency of the Group. Foreign currency transaction included mainly receipts of proceeds from the Listing on the Main Board of the Stock Exchange and payment of professional fees which are denominated in Hong Kong dollars ("HK$"). As at 31 December 2024, the cash and cash equivalents of approximately RMB197,438,000 and RMB119,000 denominated in HK$ and United States dollars ("US$"), the term deposit of approximately RMB6,398,000 denominated in US$. Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations. For the years ended 31 December 2024, no hedging activity was undertaken by the Group.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in RMB, was as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
– Cash and cash equivalents		
HK$	**197,438**	7,904
US$	**119**	6,151
– Term deposits		
US$	**6,398**	–
	203,955	14,055

The aggregate net foreign exchange losses recognized in profit or loss were:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net foreign exchange losses included in other losses – net	**6,181**	2,507

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Foreign exchange risk (Continued)

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. 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. If there is a 5% appreciation/depreciation in RMB against the relevant currencies, the effect on the (losses)/ gains for the year is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
5% increase in RMB against HK$	**(8,194)**	(324)
5% decrease in RMB against HK$	**8,194**	324
5% increase in RMB against US$	**(272)**	(252)
5% decrease in RMB against US$	**272**	252

3.1.2 Market risk

Cash flow and fair value interest rate risk

Other than interest-bearing cash and cash equivalents, term deposits, restricted cash and loan receivables, the Group has no other significant interest-bearing assets and liabilities. The directors of the Company do not anticipant there is any significant impact to interest-bearing assets and liabilities resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, term deposits, restricted cash, financial assets at fair value through profit or loss, trade and bill and other receivables and loan receivables. The carrying amounts of cash and cash equivalents, term deposits, restricted cash, financial assets at fair value through profit or loss and trade and bill and other receivables and loan receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

(a) Cash at banks, payment platforms and on hand, term deposits and restricted cash

The Group expects that there is no significant credit risk associated with cash at banks, payment platforms and on hand, term deposits and restricted cash since they are substantially deposited at state-owned banks, other medium or large-size listed banks and payment platforms. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(b) Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to financial assets that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of the investment.

(c) Trade receivables

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected losses provision for trade receivables.

For trade receivables that do not share same risk characteristics with others, management assesses their expected credit losses on an individual basis. For trade receivables that share same risk characteristics with others, management calculates the expected credit loss using the roll rate model. The model first groups the customers based on their different risk characteristics, and then recalculates their respective historical credit loss information. The model further incorporates economic policies, macroeconomic conditions, industry risks and forward-looking adjustments to reflect management's forecasts of macroeconomic factors in different scenarios, as this affects the customers' ability to settle the receivables. Trade receivables are categorised as follows for assessment purpose:

Group 1: Trade receivables due from Jinke Property and its subsidiaries ("Jinke Property Group")
Group 2: Trade receivables due from property owners arising from resident properties
Group 3: Trade receivables due from counterparties arising from non-resident properties

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

(d) Bill receivables

The Group uses the ECL model to determine the expected loss provision for bill receivables.

(e) Loan receivables and other receivables

The Group applied the 3-stage model approach to measure ECL allowance for loan receivables and other receivables.

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

- 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 changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group definition of category	Basis for recognition of ECL provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses (stage 2).
Non-performing	Interest and/or principal repayments are 90 days past due	Lifetime expected losses (stage 3).

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking information on macroeconomic factors.

As at 31 December 2024, trade receivables amounting to RMB613,351,000 (2023: RMB617,278,000) from Jinke Property and its subsidiaries was assessed on an individual basis as Jinke Property faced liquidity constraints. Trade receivables amounting to RMB234,129,000 (2023: RMB165,173,000) from individual property owners arising from resident properties was assessed on an individual basis as these receivables due from low-quality projects that the Group had withdrawn or would withdraw which leads to the low recoverability of related receivables. Trade receivables amounting to RMB556,268,000 (2023: RMB508,511,000) from certain customers were assessed on an individual basis since respective companies was insolvent and in operating difficulty, got involved in several litigations. The remaining trade receivables are assessed on a collective basis.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

The Group considers there has been a significant increase in credit risk on above mentioned trade receivables and evaluated the distribution of expected cash flows under multiple scenarios based on historical credit loss experience, operating model, current situations and forecasts of future conditions of contract counterparties under different situations, made corresponding provision for ECL according to ECL rate and the related probability weight under different scenarios, and prepared sensitivity analysis using reasonably possible changes of the relevant key parameters. As at 31 December 2024, the Group recognized loss allowance provision of RMB579,068,000 (2023:RMB525,488,000),RMB210,683,000(2023:RMB103,526,000), RMB508,831,000 (2023: RMB467,024,000) for these trade receivables respectively.

Expect for that, trade receivables are subject to provision for loss allowance on the collective basis.

As at 31 December 2024, the loss allowance provision for the trade receivables was determined as follows. The ECL below also incorporated forward looking information.

	Life time expected credit loss rate	Gross carrying amount *RMB'000*	Lifetime expected credit loss *RMB'000*	Net carrying Amount *RMB'000*
Provision on individual basis				
At 31 December 2024				
Receivables from Jinke Property and its subsidiaries	94.41%	613,351	(579,068)	34,283
Receivables from individual property owners arising from resident properties	89.99%	234,129	(210,683)	23,446
Receivables from counterparties arising from non-resident properties and others	91.47%	556,268	(508,831)	47,437
		1,403,748	(1,298,582)	105,166
Provision on collective basis				
At 31 December 2024				
Group 2	22.67%	1,113,140	(252,343)	860,797
Group 3	23.38%	207,334	(48,465)	158,869
		1,320,474	(300,808)	1,019,666
Total		2,724,222	(1,599,390)	1,124,832

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

	Up to 1 year	Over 1 year	Total
Provision on collective basis			
At 31 December 2024			
Group 2			
Gross carrying amount (RMB'000)	695,725	417,415	1,113,140
Expected loss rate	12.86%	39.02%	22.67%
Loss allowance provision (RMB'000)	(89,484)	(162,859)	(252,343)
Group 3			
Gross carrying amount (RMB'000)	155,494	51,840	207,334
Expected loss rate	10.97%	60.57%	23.38%
Loss allowance provision (RMB'000)	(17,065)	(31,400)	(48,465)

As at 31 December 2023, the loss allowance provision for the trade receivables was determined as follows. The ECL below also incorporated forward looking information.

	Life time expected credit loss rate	Gross carrying amount *RMB'000*	Lifetime expected credit loss *RMB'000*	Net carrying Amount *RMB'000*
Provision on individual basis				
At 31 December 2023				
Receivables from Jinke Property and its subsidiaries	85.13%	617,278	(525,488)	91,790
Receivables from individual property owners arising from resident properties	62.68%	165,173	(103,526)	61,647
Receivables from counterparties arising from non-resident properties and others	91.84%	508,511	(467,024)	41,487
		1,290,962	(1,096,038)	194,924
Provision on collective basis				
At 31 December 2023				
Group 2	15.77%	1,225,077	(193,165)	1,031,912
Group 3	20.29%	395,903	(80,313)	315,590
		1,620,980	(273,478)	1,347,502
Total		2,911,942	(1,369,516)	1,542,426

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

	Up to 1 year	Over 1 year	Total
Provision on collective basis			
At 31 December 2023			
Group 2			
Gross carrying amount (RMB'000)	728,780	496,297	1,225,077
Expected loss rate	7.66%	27.67%	15.77%
Loss allowance provision (RMB'000)	(55,822)	(137,343)	(193,165)
Group 3			
Gross carrying amount (RMB'000)	299,572	96,331	395,903
Expected loss rate	11.16%	48.68%	20.29%
Loss allowance provision (RMB'000)	(33,419)	(46,894)	(80,313)

As at 31 December 2024, bill receivables amounting to RMB15,450,000 (2023: RMB15,450,000) were non-performing, and the Group had individually assessed that the ECL rate was 100% as the counter parties were experiencing significant financial difficulties.

As at 31 December 2024 and 2023, the loss allowance was determined as follows for bill receivables:

	As at 31 December	
	2024	2023
Bill receivables due from:		
Stage 1		
Gross carrying amount (RMB'000)	**385**	4,018
Expected loss rate	**–**	–
Loss allowance provision (RMB'000)	**–**	–
Stage 3		
Gross carrying amount (RMB'000)	**15,450**	15,450
Expected loss rate	**100.00%**	100.00%
Loss allowance provision (RMB'000)	**(15,450)**	(15,450)

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the expected credit loss rate, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

As at 31 December 2024, loan receivables and other receivables from Jinke Property and its subsidiaries and other related parties amounting to RMB2,142,580,000 (2023: RMB2,097,135,000) respectively were non-performing as Jinke Property faced liquidity constraints. Other receivables from certain third parties amounting to RMB475,374,000 (2023: RMB531,723,000) respectively were non-performing since respective companies were insolvent and in operating difficulty, got involved in several litigations.

The Group had individually assessed ECL of above other receivables by evaluating the distribution of expected cash flows under multiple scenarios based on historical credit loss experience, operating model, current situations and forecasts of future conditions of contract counter parties under different situations, and preparing sensitivity analysis using reasonably possible changes of the relevant key parameters. For the year ended 31 December 2024, the Group recognized loss allowance provision of RMB1,813,427,000 (2023:RMB1,651,438,000), RMB425,236,000 (2023: RMB406,554,000) for these other receivables respectively.

Expect for that, the Group has assessed that there is no significant increase of credit risk for other receivables since initial recognition. Thus, the Group use the 12 months ECL model to assess credit loss of other receivables.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

As at 31 December 2024, the loss allowance provision for loan receivables, other receivables and finance lease receivables was determined as follows:

	Stage	Expected credit loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Net carrying amount *RMB'000*
Loans to Jinke Property	3	81.27%	1,646,821	(1,338,316)	308,505
Other receivables and finance lease receivables due from related parties					
Refundable deposit paid to Jinke Property Group for the potential acquisition of Chongqing Jinke Zhemei Commercial Operation Management Co., Ltd.	3	98.66%	400,000	(394,640)	5,360
Refundable deposit paid to Jinke Property Group and other related parties to secure the due performance or tendering process	3	84.03%	95,759	(80,471)	15,288
Finance lease and other receivables due from related parties	1	3.11%	80,831	(2,514)	78,317
Subtotal			576,590	(477,625)	98,965
Other receivables and finance lease receivables due from third parties					
Refundable deposits paid to a third party for the potential acquisition of Shanghai Aiqinhai Commercial Group Co., Ltd.	3	85.51%	276,474	(236,412)	40,062
Refundable deposits paid to third parties to secure the due performance or tendering process and others	3	94.93%	198,900	(188,824)	10,076
Refundable deposits paid to third parties to secure the due performance or tendering process and others	1	3.41%	204,842	(6,995)	197,847
Subtotal			680,216	(432,231)	247,985
Total			2,903,627	(2,248,172)	655,455

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

As at 31 December 2023, the loss allowance provision for loan receivables, other receivables and finance lease receivables was determined as follows:

	Stage	Expected credit loss rate	Gross carrying amount	Expected credit loss	Net carrying amount
			RMB'000	*RMB'000*	*RMB'000*
Loans to Jinke Property	3	77.08%	1,623,908	(1,251,708)	372,200
Other receivables and finance lease receivables due from related parties					
Refundable deposits paid to Jinke Property Group for the potential acquisition of Chongqing Jinke Zhemei Commercial Operation Management Co., Ltd.	3	84.35%	400,000	(337,392)	62,608
Refundable deposits paid to Jinke Property Group to secure the due performance or tendering process	3	85.13%	73,227	(62,338)	10,889
Finance lease and other receivables due from related parties	1	1.17%	116,610	(1,364)	115,246
Subtotal			589,837	(401,094)	188,743
Other receivables and finance lease receivables due from third parties					
Refundable deposits paid to a third party for the potential acquisition of Shanghai Aiqinhai Commercial Group Co., Ltd.	3	62.25%	276,474	(172,101)	104,373
Refundable deposits paid to third parties to secure the due performance or tendering process and others	3	91.85%	255,249	(234,453)	20,796
Refundable deposits paid to third parties to secure the due performance or tendering process and others	1	3.53%	228,646	(8,078)	220,568
Subtotal			760,369	(414,632)	345,737
Total			2,974,114	(2,067,434)	906,680

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

The movement of loss allowance provision for trade receivables, loan receivables, other receivables and finance lease receivables and bill receivables are as follows:

	Trade receivables	Loan receivables, other receivables and finance lease receivables	Bill receivables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,029,509	1,197,174	17,032	2,243,715
Provision/(reversal) for loss allowance recognized in profit or loss	344,282	1,127,865	(1,582)	1,470,565
Receivables written off during the year as uncollectible	(7,490)	(261,683)	–	(269,173)
Others	3,215	4,078	–	7,293
At 31 December 2023	1,369,516	2,067,434	15,450	3,452,400
At 1 January 2024	**1,369,516**	**2,067,434**	**15,450**	**3,452,400**
Provision/(reversal) for loss allowance recognized in profit or loss	**330,144**	**226,412**	**–**	**556,556**
Receivables written off during the year as uncollectible	**(74,572)**	**(45,583)**	**–**	**(120,155)**
Disposal of subsidiaries	**(25,698)**	**(91)**	**–**	**(25,789)**
At 31 December 2024	**1,599,390**	**2,248,172**	**15,450**	**3,863,012**

As at 31 December 2024, the gross carrying amount of receivables including trade and bill receivables, loan receivables, other receivables and finance lease receivables was RMB5,643,684,000 (2023: RMB5,905,524,000), which represented the maximum exposure to credit loss as at the respective balance sheet dates.

3.1.4 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.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.4 Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at 31 December 2024					
Financial liabilities					
Trade and bill and other payables (excluding accrued payroll and other taxes payables)	1,892,102	–	–	–	1,892,102
Financial liabilities at fair value through profit or loss	33,645	–	–	–	33,645
Lease liabilities (including interest payments)	22,866	21,960	68,538	51,296	164,660
	1,948,613	21,960	68,538	51,296	2,090,407

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at 31 December 2023					
Financial liabilities					
Trade and bill and other payables (excluding accrued payroll and other taxes payables)	2,052,444	–	–	–	2,052,444
Financial liabilities at fair value through profit or loss	40,498	–	–	–	40,498
Lease liabilities (including interest payments)	27,919	18,513	51,493	59,104	157,029
Financial instruments issued to investors	–	–	53,278	–	53,278
	2,120,861	18,513	104,771	59,104	2,303,249

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

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

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

The Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

As at 31 December 2024 and 2023, asset-liability ratio of the Group is as follows:

	As at 31 December	
	2024	2023
Asset – liability ratio	50%	46%

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

As at 31 December 2024

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Recurring fair value measurements				
Financial assets at FVPL				
Listed stocks	2,025	–	–	2,025
Fund with limited life (i)	–	–	45,844	45,844
Wealth management products (ii)	–	70,208	25,000	95,208
	2,025	70,208	70,844	143,077
Financial liabilities at FVPL				
Contingent consideration payable (iii)	–	–	32,878	32,878

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(a) Fair value hierarchy (Continued)

As at 31 December 2023

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Recurring fair value measurements				
Financial assets at FVPL				
Fund with limited life (i)	–	–	45,317	45,317
Wealth management products	–	–	3,000	3,000
	–	–	48,317	48,317
Financial liabilities at FVPL				
Contingent consideration payable (iii)	–	–	38,435	38,435

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(a) Fair value hierarchy (Continued)

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

The Group did not measure any financial assets and liabilities at fair value on a non-recurring basis as at 31 December 2024.

The Group's financial assets at fair values through profit or loss included wealth management products. If all significant inputs required to fair value an instrument are observable (for example, quoted redemption prices from the banks issued the products), the instrument is included in level 2.

(i) Fund with limited life comprises investment in unlisted companies. The fair value of the investment is determined using the latest round financing, i.e., the prior transaction price or the third-party pricing information.

The investment consideration was determined with reference to the fair value of those unlisted entities. If the fair value of the investment had been 5% higher/lower, the loss before income tax for the years ended 31 December 2024 and 2023 would have been approximately RMB2,292,000 lower/higher and RMB2,266,000 lower/higher, respectively.

(ii) Wealth management products issued by commercial banks and financial institutions, which are non-principal-guaranteed floating-return instruments. These products primarily invest in bonds, money market instruments, and other debt assets compliant with regulatory guidelines. The investments aim to enhance returns on short-term idle funds while maintaining high liquidity.

(iii) Pursuant to the acquisition agreements, the acquired entity Shuchuan Services owns a number of property management projects which are contracted but undelivered. The contingent consideration arrangement requires the Group to pay the former owner of Shuchuan Services the consideration of contracted but undelivered projects depending on the performance of these projects when those projects are actual delivered.

A third-party appraiser has been engaged to evaluate the fair value of the contingent consideration on the acquisition date and contingent consideration is recognized as financial liabilities at FVPL in the consolidated balance sheet.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(b) Fair value estimation

The following table presents the changes in financial instruments at fair values for twelve months ended 31 December 2024 and 31 December 2023.

	Financial assets at FVPL					Financial liabilities for contingent consideration payable
	Level 1	Level 2		Level 3		
	Listed stocks	Public market money fund	Wealth management products	Fund with limited life	Wealth management products	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Opening balance as at 1 January 2024	–	–	–	45,317	3,000	(38,435)
Addition	4,528	341,533	238,000	–	177,000	–
Net fair value gains/(losses) on FVPL	1,913	7,854	984	527	633	(1,347)
Settlement	(4,416)	(349,387)	(168,776)	–	(155,633)	6,904
Closing balance as at 31 December 2024	2,025	–	70,208	45,844	25,000	(32,878)

	Financial assets at FVPL					Financial liabilities for contingent consideration payable
	Level 1	Level 2		Level 3		
	Listed stocks	Public market money fund	Wealth management products	Fund with limited life	Wealth management products	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Opening balance as at 1 January 2023	–	–		51,000	–	–
Addition	–	–	–	–	3,000	(50,684)
Net fair value (losses)/gains on FVPL	–		–	(5,683)	–	9,479
Settlement	–	–	–	–	–	2,770
Closing balance as at 31 December 2023	–	–	–	45,317	3,000	(38,435)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(c) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and how reasonable possible change in the input would affect the fair values:

Description	Fair value at 31 December 2024 *RMB'000*	Unobservable input	Range (probability-weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	25,000	Expected interest rate per annum	2.30%-6.8%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB71,000
Contingent consideration payable	32,878	Expected discount rate	3.45%	An increase/decrease in discount rate by 1% results in a decrease/increase in fair value by RMB219,000/214,000

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Allowance on doubtful receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rate. 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.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of loan receivables and trade and bill and other receivables and impairment loss in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see Note 3.1.3 above.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(b) Current and deferred income tax

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

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

(c) Estimated impairment of goodwill

The Group tests whether goodwill has suffered any impairment annually, or more frequently if events or changes in circumstances predict that goodwill may be impaired, in accordance with the accounting policy stated in Note 42.8, where the recoverable amounts of CGUs is determined based on value-in-use ("VIU") calculations. These calculations require the use of estimates. Details of impairment assessment, key assumptions and impact of possible changes in key assumptions are disclosed in Note 18.

(d) Estimation of useful life of customer relationship identified in business combination

Customer relationship identified in the business combination on respective acquisition date is recognized as intangible assets (Note 18). Customer relationship primarily related to the existing contracts of acquirees on the acquisition date. A large portion of the existing contracts of acquirees are with no specific expiration date and the remaining contracts are with contract periods of one to ten years. Based on the past experience, termination or non-renewal of property management contracts with the property developers or property owners' association are uncommon. The Group thus estimate the useful life and determines the amortisation period of the customer relationship to be ten years based on the expected contract duration of the property management contracts.

However, the actual useful life may be shorter or longer than estimate, depending on acquirees' ability to secure its contracts and relationships with property developers or renew the contracts with property owners' associations in the future. Where the actual contract duration is different from the original estimate, such difference will impact the carrying amount of the intangible asset or customer relationship and the amortisation expenses in the periods in which such estimate has been changed.

5 SEGMENT INFORMATION

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

During the years ended 31 December 2024 and 2023, the Group is principally engaged in the provision of residential property services, enterprise services and other services in the PRC.

During the years ended 31 December 2024 and 2023, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single operating segment.

As at 31 December 2024, all of the assets were located in the PRC except for cash and cash equivalents of HK$211,828,000 (equivalent to RMB196,159,000) (2023:HK$5,000 (equivalent to RMB5,000)) and US$17,000 (equivalent to RMB119,000) (2023:US$868,000 (equivalent to RMB6,148,000)) and term deposits of US$890,000 (equivalent to RMB6,398,000) (2023:nil) in Hong Kong.

6 REVENUE

In order to implement the Group's operating policy of focusing on its principal businesses and deepening its strategic layout in 2024, the Group has adjusted its business lines: (1) classified the original space property management services and community value-added services into "residential property services" and "enterprise services" according to the service formats of the projects; (2) consolidated the original group catering business of the local catering services into enterprise services to further strengthen the advantages of IFM services; and (3) consolidated other noncore businesses into "other services" to enhance the concentration of service resources.

After the adjustment, the Group's revenue in 2024 were generated from three major business lines: (i) residential property services; (ii) enterprise services; and (iii) other services. Comparative figures for the year ended 31 December 2023 have also been restated to a consistent basis of comparison as if the Group's business lines had been adjusted at the beginning of that period.

6 REVENUE *(Continued)*

Revenue mainly comprises of proceeds from residential property services, enterprise services and other services. An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Recognized over time		
Residential property services	**3,340,344**	3,455,253
– Property management services	**3,073,615**	3,096,285
– Diversified value-added services	**224,724**	203,612
– Non-property owners value-added services	**42,005**	155,356
Enterprise services	**786,131**	884,895
Other services	**74,799**	115,279
	4,201,274	4,455,427
Recognized at a point in time		
Residential property services	**2,701**	2,740
– Diversified value-added services	**2,701**	2,740
Enterprise services	**216,586**	261,848
Other services	**164,874**	259,726
	384,161	524,314
	4,585,435	4,979,741

6 REVENUE *(Continued)*

For the year ended 31 December 2024 and 2023, all customers individually contributed less than 10% of the Group's revenue.

(a) Contract liabilities

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Residential property services	**849,624**	840,616
Enterprise services	**16,505**	17,632
Other services	**22,313**	22,434
	888,442	880,682

(i) Revenue recognized in relation to contract liabilities

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year		
Residential property services	**840,616**	707,015
Enterprise services	**17,632**	22,168
Other services	**22,434**	11,016
	880,682	740,199

6 REVENUE *(Continued)*

(a) Contract liabilities *(Continued)*

(ii) Unsatisfied performance obligations

For residential and non-residential property management services, the Group recognizes 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 obligations up to the current periods, on a monthly or quarterly basis. The Group has elected the practical expedient and therefore has not to disclose the remaining performance obligations for these types 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 diversified value-added services, group catering services, hotel management and other services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

(b) Assets recognized from incremental costs to obtain a contract

For the year 31 December 2024, there were no significant incremental costs to obtain a contract (2023: same).

(c) Revenue recognition

Revenues are recognized when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

The Group provides residential property services, enterprise services and other services.

(i) Residential property services

For property management services provided resident properties, the Group bills a fixed amount for services provided on a monthly basis and recognizes as revenue in the amount to which the Group has a right to bill and that corresponds directly with the value of performance completed. Revenue from providing property management services is recognized in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs.

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is responsible for providing the property management services to the property owners, the Group is entitled to revenue at the value of property management services fee received or receivable and recognizes all related property management costs as its cost of service.

6 REVENUE *(Continued)*

(c) Revenue recognition *(Continued)*

(i) Residential property services (Continued)

For property management service income from properties managed under commission basis, where the Group acts as an agent of the property owner, the Group recognizes the commission, which is calculated by a pre-determined percentage of the property management fee receivable by the properties.

The Group provides diversified value-added services to property owners and residents, primarily in the form of (i) community management services, which are mainly consisted of management of public resources (leasing of public spaces, for instance), temporary parking services and community media services; and (ii) home-living services, mainly consisted of community group purchase, household cleaning services and home delivery services.

Revenue is recognized when the related diversified value-added services are rendered. Payment of the transaction is due immediately when the diversified value-added services are rendered to the customer.

For sales of goods, the Group procures merchandise from suppliers and sells goods to the property owners and enterprise customers. Sales of goods are recognized when the Group delivers the goods to the customers.

The Group acts as a sales agent for property owners and provides residential property agency services, which charge such property owners a commission calculated based on the contract purchase price.

Residential property services provided to non-property owners primarily consist of: (i) sales assistance services, primarily include visitors reception, on-site cleaning, security, repair and maintenance services to assist property developers in showcasing and marketing their properties at the pre-sale stage of property sales, (ii) pre-delivery services, including cleaning, inspection, repair and maintenance services to non-property owners at the pre-delivery stage and to a lesser extent, repair and maintenances services after delivery where such services are required by property developers based on inspection of relevant properties, and (iii) consultancy and other services including consultancy services for property developers and property management companies on project planning and management as well as other value-added services such as printing and documentation services.

The Group agrees the price for each service with the customers upfront and issues the monthly or quarterly bill to the customers which varies based on the actual level of service completed in that month. Revenue is recognized when the services are rendered.

6 REVENUE *(Continued)*

(c) Revenue recognition *(Continued)*

(ii) Enterprise services

Enterprise services primarily include (i) non-residential property management services, which refers to providing property management services for commercial office buildings, industrial parks, schools, hospitals and other enterprise units, (ii) group catering services, which refers to providing canteen management for non-property owners.

The revenue recognition for non-resident property management services is the same as that for resident property management services as described above.

For group catering services, revenue is recognized when the services are rendered to the customer. Payment is due in full at the time when the services are rendered or the goods are provided.

(iii) Other services

Other services primarily include (i) hotel management services, (ii) catering supply chain services (e.g. food supply chain services for items such as rice, flour, grain and oil), (iii) asset operation services, which primarily include sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services, (iv)smart living technology solutions, mainly providing digital and intelligent technology solutions to property management companies, external clients like enterprises and public institutions, and property developers, and (v) comprehensive living and traveling services, which primarily include property agency services and travel agency services.

For hotel management services, room rental revenue is recognized on a daily basis when rooms are occupied. Food and beverage revenue and other goods and services revenue are recognized when they have been delivered or rendered to the guests as the respective performance obligations are satisfied.

Revenue is recognized when the smart living technology solutions are rendered to the customer.

For sales of goods, the Group procures merchandise from suppliers and sells goods to the property owners and enterprise customers. Sales of goods are recognized when the Group delivers the goods to the customers.

6 REVENUE *(Continued)*

(c) Revenue recognition *(Continued)*

(iii) Other services (Continued)

If contracts involve the sale of multiple services, the transaction price allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

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

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the 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.

7 OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest income from loans to a related party (Note 39(b))	**21,616**	111,603
Government grants (Note (a))	**18,188**	23,310
Interest income from term deposits	**11,619**	–
Interest income on finance lease	**4,391**	3,611
Value-added tax ("VAT") deductible (Note (b))	**–**	10,233
Others	**38**	946
	55,852	149,703

(a) Government grants mainly represent financial subsidies granted by local government. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) VAT deductible mainly included additional deduction of input value-added tax applicable to certain subsidiaries based on the VAT policy and the policy terminated on 31 December 2023.

8 EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Employee benefit expenses (Note 9)	**1,858,197**	1,938,155
Greening and cleaning expenses	**800,649**	849,628
Security charges	**545,191**	528,055
Utilities	**304,736**	262,128
Maintenance costs	**216,606**	244,085
Consumables, food, beverages and raw materials	**147,041**	190,151
Sub-contract expenses for certain services	**146,079**	69,161
Depreciation and amortization expenses	**100,003**	87,889
Travelling and entertainment expenses	**47,816**	45,456
Community activities expenses	**37,211**	27,913
Office expenses	**35,456**	57,396
Impairment charges of other intangible assets (Note 18)	**29,675**	–
Taxes and other levies	**20,496**	18,340
Bank and payment platform charges	**17,976**	20,571
Cost of goods sold	**15,135**	50,794
Impairment charges of property, plant and equipment (Note 16)	**13,091**	25,100
Short-term lease expenses (Note 33)	**10,061**	17,869
Construction costs	**9,610**	14,598
Auditor's remuneration		
– Audit services	**3,971**	5,615
– Non-audit services	**4,312**	4,517
Impairment charges of investment properties (Note 17)	**4,803**	5,114
Advertising expenses	**3,548**	7,787
Others	**197,522**	186,155
Total cost of sales, selling and marketing expenses and administrative expenses	**4,569,185**	4,656,477

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Wages, salaries and bonuses	**1,427,434**	1,547,011
Social insurance expenses and housing benefits (Note (a))	**301,713**	307,142
Share-based payments (Note 30)	**60,652**	14,616
Other employee benefits (Note (b))	**68,398**	69,386
	1,858,197	1,938,155

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

No forfeited contributions were utilized for the years ended 31 December 2024 and 2023 to offset the Group's contribution to the abovementioned retirement benefit schemes.

(b) Other employee benefits mainly include meal, housing allowances and holiday benefits.

(c) Five highest paid individuals

The five highest paid individuals of the Group for the years ended 31 December 2024 and 2023 are analysed as follows:

	Number of individuals Year ended 31 December	
	2024	2023
Directors and supervisors	**2**	1
Non-directors and supervisors, the highest paid individuals	**3**	4
	5	5

9 EMPLOYEE BENEFIT EXPENSES *(Continued)*

(c) Five highest paid individuals *(Continued)*

Details of the emoluments of the above directors and supervisors are reflected in the analysis shown in Note 41. Details of the emoluments of the above non-directors and supervisors, the highest paid individuals for the years ended 31 December 2024 and 2023 are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Wages and salaries	963	6,388
Discretionary bonuses	266	2,055
Contribution to pension scheme	51	130
Housing allowances	38	97
Share-based payments	17,704	2,264
Other social insurances	35	90
	19,057	11,024

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office for the years ended 31 December 2024 and 2023.

The emoluments fell within the following bands:

	Number of individuals Year ended 31 December	
	2024	2023
Emolument bands (in HK dollar)		
HK$2,000,001 – HK$2,500,000	–	1
HK$2,500,001 – HK$3,000,000	–	1
HK$3,000,001 – HK$3,500,000	–	1
HK$3,500,001 – HK$4,000,000	–	1
HK$5,000,001 – HK$5,500,000	1	–
HK$7,000,001 – HK$7,500,000	1	–
HK$8,500,001 – HK$9,000,000	1	–
	3	4

10 OTHER LOSSES – NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Impairment of goodwill (Note 18)	**(56,229)**	(142,381)
Loss on provision of compensation	**(8,035)**	–
Impairment of prepayments	**(7,394)**	–
Net foreign exchange losses	**(6,181)**	(2,507)
Losses on disposal of subsidiaries (Note 37)	**(2,171)**	(910)
Fair value (losses)/gains on financial liabilities at FVPL (Note 27)	**(1,347)**	9,479
Fair value gains/(losses) on financial assets at FVPL (Note 27)	**11,911**	(5,683)
Gains/(losses) on disposal of long-term assets and other assets	**7,716**	(1,513)
Gains on early termination of lease contracts	**1,142**	8,202
Impairment of other assets	**–**	(10,381)
Losses on derecognition of investment properties	**–**	(3,469)
Others	**(4,160)**	(17,191)
	(64,748)	(166,354)

11 FINANCE INCOME – NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**27,249**	46,455
Finance costs		
Interest expense of lease liabilities (Note 33)	**(6,673)**	(9,128)
Others	**(2,309)**	(4,853)
	(8,982)	(13,981)
Finance income – net	**18,267**	32,474

12 INCOME TAX EXPENSES/(CREDIT)

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	93,738	110,793
Deferred income tax (Note 34)		
– PRC corporate income tax	(89,560)	(248,677)
	4,178	(137,884)

The income tax expenses/(credit) for the year can be reconciled to the loss before income tax per the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	(546,798)	(1,119,545)
Tax charge at effective rate applicable to profits in the respective group entities	(98,698)	(211,353)
Tax effects of:		
– Expenses not deductible for tax purposes	54,369	31,000
– Tax effect of super deduction	(823)	(1,478)
– Effect of income not subject to income tax	(3,141)	(2,276)
– The impact of change in tax rate applicable to subsidiaries	7,183	3,257
– Tax losses and deductible temporary differences for which no deferred tax asset was recognized	45,288	42,966
Total income tax expenses/(credit)	4,178	(137,884)

12 INCOME TAX EXPENSES/(CREDIT) *(Continued)*

Hong Kong profits tax

No Hong Kong profits tax was applicable to the Group for the year ended 31 December 2024. There was a subsidiary incorporated in Hong Kong. No Hong Kong profits tax was provided for this Hong Kong subsidiary as there was no estimated taxable profits that was subject to Hong Kong profits tax during the year ended 31 December 2024 (2023: nil).

PRC corporate income tax

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in PRC is 25%. The Company and some of subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% for certain years.

Certain operations of the Group in the PRC were qualified as “Small Low-Profit Enterprise” and taxed at reduced tax rate of 20% from 1 January 2008. During the year ended 31 December 2024, the “Small Low-Profit Enterprise” whose taxable income less than RMB3 million can enjoy the preferential income tax treatment with the income tax rate of 20% and is eligible to have their tax calculated based on 25% of their taxable income.

13 LOSSES PER SHARE

The basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares during the years ended 31 December 2024 and 2023.

The share award scheme (Note 30) granted and remained unexercised are not included in the calculation of diluted losses per share because performance conditions has not been met at the end of the reporting period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2024, the Company had share-based awards (Notes 30). For the year ended 31 December 2024, these potential ordinary shares were not included in the calculation of loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2024 is the same as basic loss per share.

	Year ended 31 December	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	**(587,302)**	(951,038)
Weighted average number of ordinary shares (in thousands)	**597,462**	639,562
Basic and diluted losses per share for loss attributable to the owners of the Company during the year (expressed in RMB per share)	**(0.98)**	(1.49)

14 SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the revenue of the Group at 31 December 2024 and 2023:

Company name	Place and date of incorporation/ establishment and kind of legal entity	Registered/ issued and paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities and place of operation	Note
			2024	2023	2024	2023		
Directly owned:								
Zhuzhou Hi-Tech Property Management Co., Ltd.* 株洲高新智慧物業服務有限公司	The PRC, 12 April 2007, limited liability company	RMB8,500,000/ RMB8,500,000	80%	80%	20%	20%	Other residential service industries in Zhuzhou	
Yancheng Jinke Yongheng Property Services Co., Ltd.* 鹽城金科詠恒物業服務有限公司	The PRC, 09 May 2018, limited liability company	RMB10,000,000/ RMB2,000,000	51%	51%	49%	49%	Property management services in Yancheng	
Chengdu Shuchuan Property Service Co., Ltd.* 成都市蜀川物業服務有限公司	The PRC, 22 August 2012, limited liability company	RMB15,000,000/ RMB1,000,000	100%	100%	–	–	Property management in Chengdu	
Chongqing Yunhan Catering Culture Co., Ltd.* 重慶韻涵餐飲文化有限公司	The PRC, 16 June 2011, limited liability company	RMB106,000,000/ RMB51,000,000.00	57%	57%	43%	43%	Enterprise headquarters management in Chongqing	
Chongqing Jinke Meilishan Property Service Co., Ltd.* 重慶金科美利山物業服務有限公司	The PRC, 10 July 2008, limited liability company	RMB50,000,000/ RMB5,000,000	100%	100%	–	–	Property management in Chongqing	
Guizhou Jinke Property Service Co., Ltd.* 貴州金科物業服務有限公司	The PRC, 15 December 2021, limited liability company	RMB1,000,000/Nil	100%	100%	–	–	Property management services in Guiyang	
Sichuan Tongyong Property Services Co., Ltd.* 四川通用物業管理有限責任公司	The PRC, 29 January 1997, limited liability company	RMB3,000,000/ RMB3,000,000	100%	100%	–	–	Property management in Chengdu	
Chongqing Jinlai Smart Life Service Co., Ltd.* 重慶金來智慧生活服務有限公司	The PRC, 24 November 2021, limited liability company	RMB500,000/Nil	90%	90%	10%	10%	Property management in Chongqing	
Shijiazhuang New Dongfang Property Management Co., Ltd.* 石家莊新東方物業服務有限公司	The PRC, 09 April 2004, limited liability company	RMB500,000/ RMB500,000	100%	100%	–	–	Property management services in Shijiazhuang	

14 SUBSIDIARIES *(Continued)*

The following list contains only the particulars of subsidiaries which principally affected the revenue of the Group at 31 December 2024 and 2023: *(Continued)*

Company name	Place and date of incorporation/ establishment and kind of legal entity	Registered/issued and paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities and place of operation	Note
			2024	2023	2024	2023		
Indirectly owned:								
Chongqing Kezhen Hotel Management Co., Ltd.* 重慶科振酒店管理有限公司	The PRC, 29 December 2020, limited liability company	RMB25,000,000/ RMB2,100,000	100%	100%	–	–	Other organizational management services in Chongqing	
Sichuan Ruide Real Estate Development Co., Ltd.* 四川瑞德物業發展有限公司	The PRC, 08 May 2000, limited liability company	RMB40,000,000/ RMB40,000,000	100%	100%	–	–	Other real estate industries in Chengdu	
Baotou Smart Property Services Co., Ltd.* 包頭智慧物業服務有限公司	The PRC, 24 February 2009, limited liability company	RMB10,000,000/ RMB5,000,000	100%	100%	–	–	Property management services in Baotou	
Sichuan Huayi Keer Hotel Property Management Co., Ltd.* 四川華怡科爾酒店物業管理有限公司	The PRC, 07 July 2006, limited liability company	RMB4,500,000/ RMB4,500,000	100%	100%	–	–	Other service industries in Chengdu	
Chongqing Kaizhou Zhenke Hotel Management Co., Ltd.* 重慶市開州區臻科酒店管理有限公司	The PRC, 28 December 2020, limited liability company	RMB5,000,000 /Nil	100%	100%	–	–	Corporate headquarters management services in Chongqing	
Kunming Qishiyuan Catering Management Co., Ltd.* 昆明起士苑餐飲管理有限公司	The PRC, 09 November 2022, limited liability company	RMB1,500,000/ RMB1,500,000	31%	31%	69%	69%	Dining services in Kunming	(i)

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(i) The Group indirectly holds the equity interest in Kunming Qishiyuan Catering Management Co., Ltd. ("Qishiyuan Catering") through layers of holding structure and the Group has control over the board of directors of Qishiyuan Catering who can make majority votes to decide the key financial and operating decisions of it. The proportion of equity interests as disclosed above represents the effective equity interests attributable to the Group.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Opening carrying amount	187,594	180,106
Additions	19,589	10,812
Share of net profits	20,113	11,933
Dividends declared	(11,764)	(17,048)
Impairment (Note (i))	(35,976)	–
Disposal of an associate	(608)	–
Disposal of subsidiaries to an associate and a joint venture	–	6,853
Step acquisition from a joint venture to a subsidiary	–	(4,326)
Deregistration of a joint venture	–	(736)
Closing carrying amount	178,948	187,594

(i) As at 31 December 2024 and 2023, the Company invested in 44.44% equity interests in Chongqing Jinke Jiefu Education Technology Co. Ltd. as an associate. Chongqing Jinke Jiefu Education Technology Co. Ltd. and its subsidiaries are collectively regarded as the "Jiefu Education". Jiefu Education is engaged in kindergarten business in Chongqing and Hunan.

A business valuation was performed for the underlying assets of Jiefu Education as the Management believes that the probability of the kindergarten business may fall short of expectations in the long term as the fertility rate continues to decline.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. Management has engaged an independent external valuer to assist in performing impairment assessments for investment in associate of Jiefu Education. Based on the impairment assessments performed, as at 31 December 2024, the recoverable amount of investment in Jiefu Education amounting to approximately RMB99,410,000 was less than its carrying value. Hence, the Group made impairment provision on the investment in the associate of Jiefu Education amounting to RMB35,976,000.

As at 31 December 2024, the recoverable amount is determined based on value-in-use using discounted cash flow method. The key assumptions are discount rates, forecasted number of students and future fees charged per student. Management estimates a discount rate of 12.4% using a pre-tax rate that reflects current market assessment of time value and the specific risks relating to the Jiefu Education. The most up-to-date forecasted number of students used in determining the recoverable amount is 6,800~7,700 per year based on Management's estimation. The growth rate of fees per student is 0.5%~2%, which is based on inflation growth forecasts.

16 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Buildings	Equipment and machinery	Vehicles	Furniture	Leasehold improvements	Construction in progress	Subtotal	Right-of-use assets (Note 33)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023									
Opening net book amount	56,074	36,578	4,834	914	64,137	1,329	163,866	138,595	302,461
Additions	246	22,563	1,864	169	23,204	23,709	71,755	291,211	362,966
Acquisition of subsidiaries	–	640	348	44	175	–	1,207	–	1,207
Transfer	–	–	–	–	20,895	(20,895)	–	–	–
Disposal of subsidiaries	–	(225)	(25)	(14)	(14,792)	–	(15,056)	(83,386)	(98,442)
Disposals	–	(2,089)	(25)	(18)	(2,183)	–	(4,315)	(63,502)	(67,817)
Depreciation charge	(2,282)	(10,708)	(1,450)	(268)	(15,352)	–	(30,060)	(26,002)	(56,062)
Impairment (Note 8)	–	–	–	–	(25,100)	–	(25,100)	–	(25,100)
Closing net book amount	54,038	46,759	5,546	827	50,984	4,143	162,297	256,916	419,213
As at 31 December 2023									
Cost	57,640	102,518	10,677	3,164	113,040	4,143	291,182	302,406	593,588
Accumulated depreciation	(3,602)	(55,759)	(5,131)	(2,337)	(36,956)	–	(103,785)	(45,490)	(149,275)
Accumulated impairment charge	–	–	–	–	(25,100)	–	(25,100)	–	(25,100)
Net book amount	54,038	46,759	5,546	827	50,984	4,143	162,297	256,916	419,213
Year ended 31 December 2024									
Opening net book amount	54,038	46,759	5,546	827	50,984	4,143	162,297	256,916	419,213
Additions	–	12,845	305	131	5,777	12,274	31,332	33,835	65,167
Transfer	–	–	–	–	16,072	(16,072)	–	–	–
Disposal of subsidiaries	–	(325)	(588)	(18)	(227)	–	(1,158)	(211)	(1,369)
Disposals	–	(1,574)	(75)	(5)	(1,635)	–	(3,289)	(44,159)	(47,448)
Depreciation charge	(2,102)	(12,315)	(1,535)	(228)	(15,592)	–	(31,772)	(25,505)	(57,277)
Impairment (Note 8)	–	–	–	–	(13,091)	–	(13,091)	–	(13,091)
Closing net book amount	51,936	45,390	3,653	707	42,288	345	144,319	220,876	365,195
As at 31 December 2024									
Cost	57,640	109,912	9,942	3,246	131,380	345	312,465	289,527	601,992
Accumulated depreciation	(5,704)	(64,522)	(6,289)	(2,539)	(50,901)	–	(129,955)	(68,651)	(198,606)
Accumulated impairment charge	–	–	–	–	(38,191)	–	(38,191)	–	(38,191)
Net book amount	51,936	45,390	3,653	707	42,288	345	144,319	220,876	365,195

16 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS *(Continued)*

Depreciation expenses were charged in the consolidated statement of comprehensive income and capitalized in the statement of financial position to the following categories:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cost of sales	40,526	41,494
Selling and marketing expenses	451	–
Administrative expenses	16,300	11,668
Subtotal	57,277	53,162
Construction in progress	–	2,900
Total	57,277	56,062

(i) Non-current assets pledged as security

No property, plant and equipment is restricted or pledged as security for liabilities as at 31 December 2024 and 2023.

(ii) Revaluation, depreciation methods and useful lives

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in case of leasehold improvements, and certain leased plants and equipment, the shorter lease term, as follows:

– Buildings	35 years
– Equipment and machinery	5-10 years
– Vehicles	5 years
– Furniture	5 years
– Leasehold improvements	2-10 years
– Right-of-use assets	1-20 years

See Note 42.6 for the other accounting policies relevant to property, plant and equipment.

17 INVESTMENT PROPERTIES

	Land and buildings *RMB'000*	Right-of-use assets *RMB'000*	Total *RMB'000*
Year ended 31 December 2023			
Opening net book amount	7,839	34,343	42,182
Depreciation charge	(229)	(748)	(977)
Disposals	(2,902)	(14,330)	(17,232)
Impairment (Note 8)	(688)	(4,426)	(5,114)
Closing net book amount	4,020	14,839	18,859

	Land and buildings *RMB'000*	**Right-of-use assets** *RMB'000*	**Total** *RMB'000*
Year ended 31 December 2024			
Opening net book amount	**4,020**	**14,839**	**18,859**
Depreciation charge	**(160)**	**(599)**	**(759)**
Impairment (Note 8)	**(688)**	**(4,115)**	**(4,803)**
Closing net book amount	**3,172**	**10,125**	**13,297**

(i) Investment properties, principally nursery properties freehold or held under leases, are held for rental yields or for capital appreciation or both and are not occupied by the Group. 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 20 to 44 years.

As at 31 December 2024 and 2023, the fair values of investment properties approximate their net book amounts.

18 INTANGIBLE ASSETS

	Goodwill *RMB'000*	Customer relationship *RMB'000*	Software and others *RMB'000*	Total *RMB'000*
Year ended 31 December 2023				
Opening net book amount	357,139	166,036	25,261	548,436
Additions	–	–	13,869	13,869
Acquisition of subsidiaries	109,923	117,900	77	227,900
Disposal of subsidiaries	–	–	(84)	(84)
Disposals	–	–	(12)	(12)
Amortization	–	(26,173)	(7,577)	(33,750)
Impairment (Note (iv))	(142,381)	–	–	(142,381)
Closing net book amount	324,681	257,763	31,534	613,978
As at 31 December 2023				
Cost	755,192	305,059	55,497	1,115,748
Accumulated amortization	–	(47,296)	(23,963)	(71,259)
Accumulated impairment	(430,511)	–	–	(430,511)
Net book amount	324,681	257,763	31,534	613,978
Year ended 31 December 2024				
Opening net book amount	**324,681**	**257,763**	**31,534**	**613,978**
Additions	**–**	**–**	**4,428**	**4,428**
Disposal of subsidiaries	**(195)**	**–**	**–**	**(195)**
Amortization	**–**	**(32,196)**	**(9,771)**	**(41,967)**
Impairment (Note (iv))	**(56,229)**	**(29,675)**	**–**	**(85,904)**
Closing net book amount	**268,257**	**195,892**	**26,191**	**490,340**
As at 31 December 2024				
Cost	**754,997**	**305,059**	**59,926**	**1,119,982**
Accumulated amortization	**–**	**(79,492)**	**(33,735)**	**(113,227)**
Accumulated impairment	**(486,740)**	**(29,675)**	**–**	**(516,415)**
Net book amount	**268,257**	**195,892**	**26,191**	**490,340**

18 INTANGIBLE ASSETS *(Continued)*

Amortization of intangible assets has been charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cost of sales	**32,319**	26,633
Selling and marketing expenses	**272**	–
Administrative expenses	**9,376**	7,117
	41,967	33,750

(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	5-10 years
– Customer relationship	10 years

(ii) Software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products, for example, applications, controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the research and development and to use the software product are available; and
- The expenditure attributable to the software product during its research and development can be reliably measured.

18 INTANGIBLE ASSETS *(Continued)*

(ii) Software *(Continued)*

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(iii) Customer relationships

Customer relationship is recognized through business combinations. Customer relationship acquired in a business combination is recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortization is calculated using the straight-line method over the expected life of 10 years for the customer relationship.

See Note 42.8 for the other accounting policies relevant to intangible assets, and Note 42.9 for the Group's policy regarding impairments.

(a) An independent valuation was performed by an independent valuer to determine the amount of the customer relationship recognized by the Group as at 31 December 2024. Methods and key assumptions in determining the fair value of the customer relationship as at respective acquisition dates are disclosed as follows:

	Valuation technique	Discount rate	Expected life of the intangible assets
Customer Relationship	Discounted cash flow	15.0%	10 years

18 INTANGIBLE ASSETS *(Continued)*

(iv) Impairment tests for Goodwill

(a) As at 31 December 2024, goodwill of RMB754,997,000 (2023: RMB755,192,000) has been allocated to each group of cash-generating units for impairments testing. Goodwill of RMB169,149,000, RMB68,777,000, RMB65,017,000, RMB143,406,000 and RMB90,691,000 (2023: RMB169,149,000, RMB68,777,000, RMB65,017,000, RMB143,406,000 and RMB90,691,000) were allocated to the property management business operated by Sichuan Tongyong Property Services Co., Ltd. ("Tongyong Services"), Chengdu Shuchuan Property Services Co., Ltd. ("Shuchuan Services"), Sichuan Ruide Property Services Co., Ltd. ("Ruide Services"), the catering business operated by Chongqing Yunhan Catering Culture Co., Ltd. and its subsidiaries ("Yunhan Catering") and Chongqing Jinke Meilishan Property Services Co., Ltd. ("Meilishan Services"), respectively.

Management performed an impairment assessment on the goodwill as at 31 December 2024. The recoverable amount of the property management business and group catering operated by the acquired subsidiaries have been assessed by an independent valuer or the management and determined based on VIU calculations. The calculations used cash flow projections based on financial budgets covering a five-year period approved by management.

As at 31 December 2024, the recoverable amount of the CGU in Tongyong Services and Yunhan Catering is RMB89,178,000 and RMB31,672,000, respectively.

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

	Year ended 31 December 2024						Year ended 31 December 2023				
	Ruide Services	Tongyong Services	Shuchuan Services	Yunhan Catering	Meilishan Services	Other subsidiaries	Ruide Services	Tongyong Services	Shuchuan Services	Yunhan Catering	Other subsidiaries
Compound annual growth rate of revenue during the projection period	-0.2%	0.0%	4.7%	-17.0%	0.0%	0.0%	0.2%	0.03%	8.0%	6.6%	0.0%-1.8%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period	29.9%	33.6%	29.1%-29.3%	7.0%-10.3%	24.8%	5.2%-33.0%	29.6%	31.6%-31.7%	25.4%-27.4%	7.6%-10.0%	7.3%-33.3%
Long term growth rate	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	2.2%	2.2%	2.2%	2.2%	0.0%-2.2%
Pre-tax discount rate	16.9%	16.9%	17.7%	16.8%	16.9%	16.9%-25.1%	16.5%	16.6%	17.3%	17.5%	16.5%-19.2%

18 INTANGIBLE ASSETS *(Continued)*

(iv) Impairment tests for Goodwill *(Continued)*

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Compound annual growth rate of revenue	Based on the past performance and management's expectations of market development.
EBITDA margin	Based on the past performance and management's expectations for the future.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Pre-tax discount rate	Reflect specific risks relating to the relevant cash-generating units.

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

	Year ended 31 December 2024								Year ended 31 December 2023					
	Ruide Services		Shuchuan Services		Meilishan Services		Other subsidiaries		Ruide Services		Tongyong Services		Other subsidiaries	
	From	To	From	To	From	To	From	To	From	To	From	To	From	To
Compound annual growth rate of revenue during the projection period	-0.2%	-7.1%	4.7%	5.6%	0.0%	-2.9%	0.0%	-4.9%	0.2%	-6.7%	0.03%	-1.1%	0.0%–1.8%	-8.1%–0.7%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period	29.9%	28.4%–29.7%	29.1%–29.3%	29.3%–29.7%	24.8%	24.1%–24.7%	17.1%–33.0%	12.8%–24.7%	29.6%	28.4%–29.6%	31.6%–31.7%	31.5%–31.7%	7.3%–33.3%	7.0%–32.9%
Long term growth rate	0.0%	-13.6%	0.0%	-3.5%	0.0%	-4.7%	0.0%	-12.3%	2.2%	-6.7%	2.2%	1.1%	0.0%–2.2%	-16.1%–-0.2%
Pre-tax discount rate	16.9%	23.4%	17.7%	19.4%	16.9%	19.5%	16.9%	25.9%	16.5%	21.4%	16.6%	17.2%	16.5%–19.2%	17.8%–25.8%

(b) The recoverable amounts of Tongyong Services and Yunhan Catering at 31 December 2024 were determined based on VIU calculations. The impairment charge of RMB56,229,000 recognized during the year of which RMB5,883,000 to the CGU of Tongyong Services, and RMB26,128,000 related to the CGU of Yunhan Catering

19 INVENTORIES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Merchandise goods	**13,632**	14,063
Consumables	**6,830**	9,528
Raw materials	**6,418**	4,861
	26,880	28,452

Costs of purchased inventory are determined after deducting rebates and discounts. See Note 42.12 for the Group's other accounting policies for inventories.

20 OTHER ASSETS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Parking lots (note (i))	**13,890**	20,132
Residential and commercial properties	**10,514**	7,762
Less: allowance for impairment	**(11,043)**	(16,221)
	13,361	11,673

(i) The Group held a small number of parking lots of certain properties it managed for ultimate sales purpose, but the sales of these parking lots is not the part of the Group's core business and the Group does not intend to engage in such business in the future.

See Note 42.13 for the Group's other accounting policies for other assets.

21 LOAN RECEIVABLES

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Loans to a related party		
– A related party (Note 39(d))	**1,646,821**	1,623,908
Less: allowance for impairment of loan receivables	**(1,338,316)**	(1,251,708)
	308,505	372,200
Loans to a related party		
Beginning of the year	**372,200**	1,386,666
Interest receivable	**22,913**	118,299
Loss allowance charged	**(86,608)**	(1,132,765)
	308,505	372,200

Loans to a related party represented the loan in the principal amount of RMB1,500 million advanced by the Company to Jinke Property (the "Loan"). Pursuant to the loan agreement, the Loan bearing with fixed interest rate 8.6% per annum was secured by certain assets owned by Jinke Property Group as collaterals.

In March 2023, Jinke Property was default in repaying the Loan. In February 2024, Jinke Property submitted the bankruptcy reorganization application to the Fifth Intermediate People's Court of Chongqing, and then the court accepted the bankruptcy reorganization application on 22 April 2024.

Management assessed the provision for impairment of the Loan by considering scenarios weightings, recovery rate of possible bankruptcy reorganization or judicial auction and other factors. Management considered the allowance for impairment of the Loan provided at 31 December 2024 is appropriate, and the allowance of the Loan will be subject to the subsequent scenarios weightings, possible bankruptcy reorganization plan, degree of judicial auction and macroeconomic variables.

22 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Financial assets at amortized cost		
Cash and cash equivalents (Note 24)	**2,406,107**	2,905,545
Trade and bill and other receivables (excluding prepayments, input VAT to be deducted) (Note 23)	**1,472,167**	2,080,924
Term deposits (Note 25)	**395,701**	220,000
Loan receivables (Note 21)	**308,505**	372,200
Restricted cash (Note 26)	**227,589**	152,238
Financial assets at fair value		
Wealth management products (Note 27)	**95,208**	3,000
Fund with limited life (Note 27)	**45,844**	45,317
Listed stock (Note 27)	**2,025**	–
	4,953,146	5,779,224
Financial liabilities at amortized cost		
Trade and bill and other payables (excluding accrued payroll and other taxes payables) (Note 31)	**1,892,102**	2,052,444
Financial instruments issued to investors (Note 32)	**–**	44,989
Lease liabilities (Note 33)	**131,690**	123,932
Financial liabilities at fair value		
Contingent consideration payable (Note 27)	**32,878**	38,435
	2,056,670	2,259,800

23 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables (Note (a))		
– Third parties	2,046,256	2,235,628
– Related parties (Note 39(d))	677,966	676,314
	2,724,222	2,911,942
Less: allowance for impairment of trade receivables	(1,599,390)	(1,369,516)
	1,124,832	1,542,426
Bill receivables		
– Third parties	385	4,018
– Related parties (Note 39(d))	15,450	15,450
	15,835	19,468
Less: allowance for impairment of bill receivables	(15,450)	(15,450)
	385	4,018
Other receivables		
– Third parties	678,707	757,983
– Related parties (Note 39(d))	497,202	510,588
	1,175,909	1,268,571
Less: allowance for impairment of other receivables	(907,439)	(815,726)
	268,470	452,845

23 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

	As at 31 December	
	2024 *RMB'000*	2023 *RMB'000*
Prepayments		
– Third parties	62,101	57,957
– Related parties (Note 39(d))	213	7,184
	62,314	65,141
Less: allowance for impairment of prepayments	(7,394)	–
	54,920	65,141
Finance lease receivables (Note (b))		
– Third parties	1,509	2,386
– Related parties (Note 39(d))	79,388	79,249
	80,897	81,635
Less: allowance for impairment of finance lease receivables	(2,417)	–
	78,480	81,635
Input VAT to be deducted	54,857	42,252
	1,581,944	2,188,317
Less: non-current portion of		
– Finance lease receivables (Note (b))	(78,861)	(80,271)
– Prepayments for acquisition of equity interests	(14,219)	(14,219)
Addition: allowance for impairment of non-current portion of		
– Finance lease receivables	2,417	–
– Prepayments	7,394	–
	(83,269)	(94,490)
Current portion of trade and bill and other receivables and prepayments	1,498,675	2,093,827

23 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

(a) Trade receivables mainly arise from property management services income under residential property services and enterprise services.

Property management services income under residential property services and enterprise services are received in accordance with the terms of the relevant services agreements. Service income from property management service is due for payment by the residents upon the issuance of demand note and enterprise counterparties upon the issuance of document of settlement.

(b) As at 31 December 2024 and 2023, certain leased properties were classified as finance lease as the terms of lease transfer substantially all the risks and rewards incidental to lessees. Amounts due from lessees under finance lease are recognized as finance lease receivables which included in the non-current and current other receivables.

A maturity analysis of finance lease receivables of the Group is shown in the table as at 31 December 2024 and 2023:

	As at 31 December	
	2024 *RMB'000*	2023 *RMB'000*
Minimum lease receivable due:		
– Within one year	**6,434**	6,840
– More than one year but not exceeding two years	**5,361**	5,803
– More than two years but not exceeding five years	**16,083**	15,302
– More than five years	**130,430**	132,097
	158,308	160,042
Less: future finance income	**(77,411)**	(78,407)
Present value of finance lease receivables	**80,897**	81,635

23 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

(c) As at 31 December 2024 and 2023, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**1,026,782**	1,311,561
Over 1 year	**1,697,440**	1,600,381
	2,724,222	2,911,942

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9. As at 31 December 2024 and 2023, a provision of RMB1,599,390,000 and RMB1,369,516,000 was made against the gross amounts of trade receivables (Note 3.1.3).

Trade receivables are amounts due from customers for goods sold or services performed 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 of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1.3 for a description of the Group's impairment policies.

24 CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash at banks, payment platforms and on hand (Note(i))		
– Denominated in RMB	2,208,550	2,891,490
– Denominated in HK$	197,438	7,904
– Denominated in US$	119	6,151
	2,406,107	2,905,545

(i) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

25 TERM DEPOSITS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Term deposits held at the bank with original maturity over three months	395,701	220,000
Less: amount included under "current assets"	(98,828)	(100,000)
	296,873	120,000

Term deposit were denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
– Denominated in RMB	389,303	220,000
– Denominated in US$	6,398	–
	395,701	220,000

25 TERM DEPOSITS *(Continued)*

As at 31 December 2024, the term deposits held at the bank were denominated in RMB and US$, with original maturity over three months have annual interest rates ranging from 2.1% to 4.1% (31 December 2023: 2.2% to 3.0%).

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest or any other form of penalties. See Note 42.14 for the group's other accounting policies on cash and cash equivalents.

26 RESTRICTED CASH

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Deposits for bank acceptance notes and performance guarantee	**117,316**	136,305
Frozen accounts for litigations (Note (i))	**110,273**	15,933
	227,589	152,238

(i) The Company is currently in litigation with several former shareholders of a target company that was originally planned to be acquired regarding potential mergers and acquisitions. Considering that both the Company and these original shareholders are defendants and plaintiffs in the lawsuit, and the case is still under trial. The Company has made corresponding considerations in the expected handling of liabilities accrued for the year ended 31 December 2024. The restricted cash of frozen accounts for litigations with the balance of RMB110,273,000 including RMB84,180,000 was related to this litigation matter.

27 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets and liabilities at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL)

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognize fair value gains and losses through OCI.

Financial assets and liabilities mandatorily measured at FVPL include the following:

	As at 31 December 2024 ***RMB'000***	As at 31 December 2023 *RMB'000*
Financial assets		
Non-current assets		
Fund with limited life (Note 3.3(a))	**45,844**	45,317
Current assets		
Listed stocks	**2,025**	–
Wealth management products (Note 3.3(a))	**95,208**	3,000
Financial liabilities		
Current liabilities		
Contingent consideration (Note 3.3(a))	**32,878**	38,435

See Note 42.10 for the remaining relevant accounting policies.

27 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

(ii) Amounts recognized in profit or loss

During the year, the following amounts were recognized in profit or loss:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Fair value gains/(losses) on fund with limited life recognized in other losses – net (Note 10)	**527**	(5,683)
Fair value (losses)/gains on contingent consideration recognized in other losses – net (Note 10)	**(1,347)**	9,479
Fair value gain on listed stocks and wealth management products recognized in other losses – net (Note 10)	**11,384**	–

(iii) Risk exposure and fair value measurements

For information about the methods and assumptions used in determining fair value see Note 3.3(a).

28 SHARE CAPITAL

The Group and the Company

	Number of ordinary shares	Share capital *RMB'000*
Issued and fully paid		
As at 1 January 2023	652,848,100	652,848
Cancellation of shares (Note 29(b))	(13,369,000)	(13,369)
As at 31 December 2023	639,479,100	639,479

	Number of ordinary shares	**Share capital** ***RMB'000***
Issued and fully paid		
As at 1 January 2024	**639,479,100**	**639,479**
Cancellation of shares (Note 29(b))	**(42,390,400)**	**(42,390)**
As at 31 December 2024	**597,088,700**	**597,089**

29 RESERVES

	Treasury Shares	Shares held for share award scheme	Capital reserves	Share-based compensation reserves	Statutory reserves	Total other reserves	Accumulated losses	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023	–	(100,156)	5,679,029	–	134,562	5,713,435	(1,039,500)	4,673,935
Loss for the year	–	–	–	–	–	–	(951,038)	(951,038)
Cancellation of shares (Note (b))	129,395	–	(116,026)	–	–	13,369	–	13,369
Acquisition of additional interests in a subsidiary	–	–	(84)	–	–	(84)	–	(84)
Repurchase of shares of the Company (Note (b))	(266,979)	–	–	–	–	(266,979)	–	(266,979)
Purchase of shares in connection with share award scheme (Note (c))	–	(45,364)	–	–	–	(45,364)	–	(45,364)
Share-based compensation (Note(30))	–	–	–	14,616	–	14,616	–	14,616
Balance at 31 December 2023	(137,584)	(145,520)	5,562,919	14,616	134,562	5,428,993	(1,990,538)	3,438,455
Balance at 1 January 2024	(137,584)	(145,520)	5,562,919	14,616	134,562	5,428,993	(1,990,538)	3,438,455
Loss for the year	-	-	-	-	-	-	(587,302)	(587,302)
Cancellation of shares (Note (b))	309,184	-	(266,794)	-	-	42,390	-	42,390
Acquisition of additional interests in a subsidiary	-	-	(415)	-	-	(415)	-	(415)
Repurchase of shares of the Company (Note (b))	(171,600)	-	-	-	-	(171,600)	-	(171,600)
Purchase of shares in connection with share award scheme (Note (c))	-	(92,437)	-	-	-	(92,437)	-	(92,437)
Share-based compensation (Note(30))	-	-	-	125,572	-	125,572	-	125,572
Vesting of shares in connection with share award scheme (Note (c))	-	170,893	(170,893)	-	-	-	-	-
Balance at 31 December 2024	-	(67,064)	5,124,817	140,188	134,562	5,332,503	(2,577,840)	2,754,663

(a) In accordance with relevant rules and regulations in the PRC, the PRC Group entities are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective Group entities.

29 RESERVES *(Continued)*

(b) During the year ended 31 December 2024, the Company repurchased 26,933,200 of its own shares from the market and 42,390,400 shares were subsequently cancelled (2023: the Company repurchased 28,826,200 of its own shares from the market and 13,369,000 shares were subsequently cancelled). The shares were acquired at prices ranging from HK$5.72 to HK$10.0, with an average price of HK$6.98 per share, totalling HK$188,051,000 (equivalent to approximately RMB171,600,000). (2023: the shares were acquired at prices ranging from HK$7.88 to HK$12.56, with an average price of HK$10.11 per share, totalling HK$292,208,000 (equivalent to approximately RMB266,979,000)).

(c) The Board of the Company adopted a share award scheme ("2021 Share Award Scheme") on 9 September 2021. On 30 December 2022, major terms of 2021 Share Award Scheme were determined and approved. On 30 March 2023, another share award scheme ("2023 Share Award Scheme") were approved by the Board of the Company. The Board has separately appointed two trustees to purchase shares of the Company on the Stock Exchange out of the Company's resources. The purchase was made in advance such that the shares purchased could be awarded to the selected participant of the share award scheme as soon as it is adopted.

During the year ended 31 December 2024, the trustee has purchased 12,921,700 shares of the Company which unit price at HK$7.15 to HK$9.47, totalling HK$100,040,000 (equivalent to approximately RMB92,437,000) (Note 40), under 2023 Share Award Scheme (2023: purchased 4,312,042 shares of the Company which unit price at HK$10.92 to HK$13.28, totalling HK$50,225,000 (equivalent to approximately RMB45,364,000) (Note 40).

During the year ended 31 December 2024, the amount of 16,862,200 shares granted to the grantees have been vested under 2021 Share Award Scheme and 2023 Share Award Scheme. Accordingly, the portion of shares held for share award scheme amounting to RMB170,893,000 was transferred to capital reserves.

30 SHARE-BASED PAYMENTS

(a) On 30 December 2022, the Board of the Company approved 2021 Share Award Scheme under which shares would be purchased on the Stock Exchange by the Company and grant to employees for no cash consideration. In June 2023, the Company granted an aggregate of 4,290,000 shares to employees, and in August 2024, the Company granted an aggregate of 329,600 shares to employees. Pursuant to the terms of the share award scheme, the shares granted are subject to certain service and some are subject to performance conditions.

2021 Share Award Scheme is administered by the Group's Employee Share Trust, which is consolidated in accordance with the principles in Note 42.16. When the shares granted are exercised, the trust transfers the appropriate amount of shares to the employee.

The shares granted to the grantees will be vested based on the following rates on the first HKEX trading date twelve months after the date of grant for the relevant financial year, taking into consideration that the vesting conditions above are satisfied in the relevant financial year: (i) 30% of the total number of the shares will be vested in the financial year in which the share are granted (the "Grant Year"); (ii) 30% of the total number of the shares will be vested in the financial year immediately following the Grant Year; and (iii) 40% of the total number of the shares 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 share granted will forfeited.

30 SHARE-BASED PAYMENTS *(Continued)*

(a) *(Continued)*

Movement in the number of shares granted to directors and employees are as follows:

	Average price per share	Number of shares
As at 1 January 2024	HK$11.60	4,260,000
Granted	HK$7.34	329,600
Forfeited	HK$11.60	(1,086,600)
Vested	HK$11.60	(1,035,500)
As at 31 December 2024	HK$11.03	2,467,500

For the year ended 31 December 2024, the Group recorded share-based compensation in administrative expenses of RMB11,540,000 (2023: 14,616,000)

(b) On 30 March 2023, the Board of the Company approved 2023 Share Award Scheme under which shares would be purchased on the Stock Exchange by the Company and granted to employees or non-employees for no cash consideration. For the year ended 31 December 2024, the Company granted an aggregate of 12,859,200 shares, of which 7,213,321 were granted to non-employees (2023: the Company granted an aggregate of 2,967,500 shares, of which 1,983,279 were granted to non-employees).

2023 Share Award Scheme is administered by the Group's Employee Share Trust, which is consolidated in accordance with the principles in Note 42.16. When the shares granted are exercised, the trust transfers the appropriate amount of shares to the employees or non-employees.

As of 31 December 2024, all the shares granted to the grantees have been vested with service condition or performance met. Upon vesting, the corresponding portion of shares held for share award scheme recognized in other reserves was transferred to capital reserves.

Movement in the number of shares granted to employees and non-employees are as follows:

	Average price per share	Number of shares
As at 1 January 2024	HK$10.96	2,967,500
Granted	HK$7.51	12,859,200
Vested	HK$8.16	(15,826,700)
As at 31 December 2024		–

For the year ended 31 December 2024, the Group recorded share-based compensation in administrative expenses of RMB114,032,000 for the share award scheme, among which RMB64,920,000 was recorded for the shares granted to non-employees (2023:nil).

31 TRADE AND BILL AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables (Note (a))		
– Third parties	940,611	996,020
– Related parties (Note 39(d))	19,324	17,032
	959,935	1,013,052
Bill payables		
– Third parties	47,764	105,572
– Related parties (Note 39(d))	5,144	4,995
	52,908	110,567
Other payables		
– Third parties	812,045	864,543
– Related parties (Note 39(d))	67,214	64,282
	879,259	928,825
Accrued payroll	233,549	248,303
Other taxes payables	76,093	71,629
	309,642	319,932
	2,201,744	2,372,376

As at 31 December 2024 and 2023, the carrying amounts of trade and bill and other payables approximated their fair values.

31 TRADE AND BILL AND OTHER PAYABLES *(Continued)*

(a) As at 31 December 2024 and 2023, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**831,885**	944,673
Over 1 year	**128,050**	68,379
	959,935	1,013,052

32 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Financial liabilities at amortized cost		
Financial instruments issued to investors	**–**	44,989

In January 2022, Tianqi Technology entered into agreements with employee investors and institutional investors and issued financial instruments of Tianqi Technology with preference rights ("Tianqi Technology Financial Instruments").

32 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS *(Continued)*

The primary preference rights of Tianqi Technology Financial Instruments are as follows:

Redemption Rights

If Tianqi Technology fails to complete an initial public offering before 31 December 2027, any investor of Tianqi Technology Financial Instruments may require Tianqi Technology to redeem any or all of the then outstanding equity interests held by such investor at the redemption price which represent the purchase price, plus an interest at an annual rate of 5% calculating from the issuance date to the payment date, less any retained profits collected by such investor.

Liquidation Preferences

In the event of any (i) liquidation; (ii) dissolution; (iii) winding up or termination of business of Tianqi Technology, (iv) any merge and acquisition, reorganization, equity transferring or other transaction of Tianqi Technology, with any person or any corporate, in which leads Jinke Services to loss control of Tianqi Technology immediately after such transaction, whether voluntary or involuntary; (v) a sale, lease, transfer, or other disposition, in a single transaction or series of transactions, of all or substantially all of the assets of the Tianqi Technology (including sale licence to any third party), whether voluntary or involuntary, distributions to shareholders of Tianqi Technology shall be made in the following manner (after satisfaction of all creditors' claims and claims that may be preferred by law):

If the assets and funds available for distribution is sufficient, each institutional investor and employee investor of Tianqi Technology Financial Instruments shall be entitled to receive the amount equal to 100% of the applicable purchase price of such Tianqi Technology Financial Instruments, plus the corresponding share of retained profits of Tianqi Technology, prior and in preference to any distribution of any of the assets or surplus funds of Tianqi Technology to Jinke Services, the holders of ordinary equity interests.

If the assets and funds available for distribution shall be insufficient to permit the payment to such investors of the full preferred preference amount, the liquidation preference amount will be distributed rateably to the institutional investors of Tianqi Technology Financial Instruments in accordance with their relative shareholding.

After distributing or paying in full the liquidation preference amount to all of the institutional investors of Tianqi Technology Financial Instruments, the remaining assets of Tianqi Technology available for distribution, if any, shall be distributed all of the employee investors, based on their relative shareholding on a pro-rata basis. Finally, residual assets and funds will be distributed to Jinke Services.

32 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS *(Continued)*

Liquidation Preferences *(Continued)*

The effective interest rate of the liability component is 4.32%. The movements of the liability component of Tianqi Technology Financial Instruments are set out as below:

	From 1 January 2023 to 31 December 2023 *RMB'000*
Carrying amount at 1 January 2023	43,126
Accrued interest	1,863
Carrying amount at 31 December 2023	44,989

	From 1 January 2024 to 31 December 2024 ***RMB'000***
Carrying amount at 1 January 2024	**44,989**
Accrued interest	**1,052**
Settlement (Note (i))	**(46,041)**
Carrying amount at 31 December 2024	**–**

(i) In January 2022, Chongqing Tianzhihuiqi Technology Co., Ltd. ("Tianqi Technology") entered into agreements with employee investors and institutional investors and issued financial instruments of Tianqi Technology with preference rights, pursuant to which the investors would subscribed for 45% of the equity interest of Tianqi Technology at a total consideration of RMB73,882,000, of which RMB41,341,000 has been paid by way of cash injected in Tianqi Technology during the year ended 31 December 2022.

On 26 July 2024, the Group made the resolution to redeem all of the then outstanding equity interests from such investors of Tianqi Technology Financial Instrument with a totalling amount of RMB46,041,000,which has been settled as at 31 December 2024.

33 LEASES

(i) Amounts recognized in the statements of financial position

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Right-of-use assets (Note 16)		
– Properties	**220,876**	256,916
Lease liabilities		
– Current	**16,115**	26,515
– Non-current	**115,575**	97,417
	131,690	123,932

(ii) Amounts recognized in the consolidated statement of comprehensive income and consolidated statement of financial position

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Depreciation charge (Note 16)		
– Properties (included in cost of sales, selling and marketing expenses and administrative expenses)	**25,505**	23,102
– Properties (included in construction in progress)	**–**	2,900
	25,505	26,002
Interest expense (included in finance cost) (Note 11)	**6,673**	9,128
Expenses relating to short-term leases (included in cost of sales, selling and marketing expenses and administrative expenses) (Note 8)	**10,061**	17,869
Total cash outflows for leases	**26,151**	37,512

33 LEASES *(Continued)*

(iii) A maturity analysis of lease liabilities is shown in the table below:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Leases are payable:		
Within 1 year	**22,866**	27,919
1 to 2 years	**21,960**	18,513
2 to 5 years	**68,538**	51,493
More than 5 years	**51,296**	59,104
Minimum lease payments	**164,660**	157,029
Future finance charge	**(32,970)**	(33,097)
Total lease liabilities	**131,690**	123,932
The present value of lease liabilities is as follows:		
Within 1 year	**16,115**	26,515
1 to 2 years	**15,087**	16,632
2 to 5 years	**53,873**	41,289
More than 5 years	**46,615**	39,496
Total lease liabilities	**131,690**	123,932

33 LEASES *(Continued)*

(iv) The Group's leasing activities and how these are accounted for

The Group leases certain properties. Rental contracts are typically made for fixed periods of 1 to 20 years but may have 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, but leased assets may not be used as security for borrowing purposes.

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

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, eg term, country, currency and security.

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.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized 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 comprise IT equipment and small items of office furniture.

34 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Deferred income tax assets:		
– Deferred income tax assets to be recovered after more than 12 months	**571,856**	506,773
– Deferred income tax assets to be recovered within 12 months	**3,495**	7,124
	575,351	513,897
– Set-off of deferred income tax liabilities pursuant to set-off provisions	**(10,929)**	(22,956)
	564,422	490,941
Deferred income tax liabilities:		
– Deferred income tax liabilities to be settled after more than 12 months	**(30,925)**	(43,729)
– Deferred income tax liabilities to be settled within 12 months	**(11,880)**	(24,098)
	(42,805)	(67,827)
– Set-off of deferred income tax assets pursuant to set-off provisions	**10,929**	22,956
	(31,876)	(44,871)
	532,546	446,070

34 DEFERRED INCOME TAX *(Continued)*

The movement in deferred income tax assets/(liabilities) during the years ended 31 December 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	DTA								DTL				
	Allowance on doubtful debts	Impairment of Investment properties and other assets	Tax losses	Lease liabilities	Excess of tax bases of other intangible assets over the carrying amount	Share based payment	Fair value changes of financial assets	Subtotal	Excess of carrying amount of property, plant and equipment and financial assets over the tax bases	Recognition upon business combination	Right-of -use assets	Subtotal	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	223,906	902	25,297	20,802	–	–	–	270,907	(4,044)	(29,413)	(19,671)	(53,128)	217,779
Credited/(Charge) to profit or loss	248,391	1,713	(6,616)	(2,590)	1,002	–	641	242,541	(2,136)	5,377	2,895	6,136	248,677
Acquisition of subsidiaries	364	–	–	–	–	–	–	364	–	(20,015)	–	(20,015)	(19,651)
Deregistration of subsidiaries	85	–	–	–	–	–	–	85	–	(820)	–	(820)	(735)
As at 31 December 2023	472,746	2,615	18,681	18,212	1,002	–	641	513,897	(6,180)	(44,871)	(16,776)	(67,827)	446,070
As at 1 January 2024	472,746	2,615	18,681	18,212	1,002	-	641	513,897	(6,180)	(44,871)	(16,776)	(67,827)	446,070
Credited/(Charge) to profit or loss	56,861	5,540	(5,510)	(12,801)	(204)	20,516	136	64,538	479	12,996	11,547	25,022	89,560
Disposal of subsidiaries	(3,084)	-	-	-	-	-	-	(3,084)	-	-	-	-	(3,084)
As at 31 December 2024	526,523	8,155	13,171	5,411	798	20,516	777	575,351	(5,701)	(31,875)	(5,229)	(42,805)	532,546

(a) The Group has not recognized deferred tax assets in respect of cumulative tax losses of RMB70,153,000 (2023: 33,253,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses shall expire in five years from year of occurrence under current tax legislation. Tax losses of approximately RMB1,113,000, RMB9,333,000, RMB47,333,000 and RMB89,800,000 and RMB205,637,000 will expire in 2025, 2026, 2027, 2028 and 2029 respectively.

35 DIVIDENDS

The Company resolved not to declare any dividend for the year ended 31 December 2024 (2023: nil).

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(546,798)**	(1,119,545)
Adjustments for:		
– Depreciation of property, plant and equipment and right-of-use assets (Note 16)	**57,277**	53,162
– Depreciation of investment properties (Note 17)	**759**	977
– Amortization of intangible assets (Note 18)	**41,967**	33,750
– Impairment of goodwill (Note 18)	**56,229**	142,381
– Impairment of other intangible assets (Note 18)	**29,675**	–
– Impairment of other assets (Note 10)	**–**	10,381
– Impairment of investment properties (Note 8)	**4,803**	5,114
– Impairment of property, plant and equipment (Note 8)	**13,091**	25,100
– Impairment in an associate (Note 15)	**35,976**	–
– Impairment of prepayments (Note 10)	**7,394**	–
– Net foreign exchange losses (Note 10)	**6,181**	2,507
– Net impairment losses on financial assets (Note 3.1.3)	**556,556**	1,470,565
– (Gains)/Losses on on disposal of long-term assets and other asset (Note 10)	**(7,716)**	1,513
– Gains on early termination of lease contracts (Note 10)	**(1,142)**	(8,202)
– Losses on derecognition of investment properties (Note 10)	**–**	3,469
– Finance income – net	**(18,267)**	(35,464)
– Interest income of term deposits (Note 7)	**(11,619)**	–
– Interest income from loans to a related party (Note 7)	**(21,616)**	(111,603)
– Interest income from finance lease (Note 7)	**(4,391)**	(3,611)
– Fair value losses/(gains) on financial liabilities at fair value through profit or loss (Note 10)	**1,347**	(9,479)
– Fair value (gains)/losses on financial assets at fair value through profit or loss (Note 10)	**(11,911)**	5,683

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(a) Cash generated from operations *(Continued)*

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
– Share of net profit of associates and joint ventures accounted for using the equity method	**(20,113)**	(11,933)
– Losses on disposal of subsidiaries (Note 37)	**2,171**	910
– Losses on disposal of a joint venture	**–**	531
– Losses on disposal of an associate	**363**	–
– Gains on deregistration of subsidiaries	**(1,093)**	(930)
– Share-based compensation	**125,572**	14,616
– Gains from bargain purchase	**–**	(965)
– Loss on provision of compensation (Note 10)	**8,035**	–
	302,730	468,927
Changes in working capital:		
– Inventories	**1,522**	1,940
– Trade and bill and other receivables and prepayments	**29,694**	(332,883)
– Contract liabilities	**12,392**	110,952
– Trade and bill and other payables	**(70,950)**	385,211
– Restricted cash	**43,495**	(122,864)
Cash generated from operations	**318,883**	511,283

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) The reconciliation of liabilities arising from financial activities is as follow:

	Financial instruments issued to investors *RMB'000*	Lease liabilities *RMB'000*	Dividends payable *RMB'000*	Total *RMB'000*
As at 1 January 2023	43,126	144,643	–	187,769
Cash flows				
– Inflow from financing activities	–	–	–	–
– Outflow from financing activities	–	(19,643)	(9,819)	(29,462)
Non-cash changes				
– Acquisition – leases	–	147,262	–	147,262
– Disposal – leases	–	(71,704)	–	(71,704)
– Disposal of subsidiaries	–	(85,754)	–	(85,754)
– Finance expense recognized	1,863	9,128	–	10,991
– Accrued dividends payable	–	–	12,269	12,269
As at 31 December 2023	44,989	123,932	2,450	171,371
As at 1 January 2024	44,989	123,932	2,450	171,371
Cash flows				
– Inflow from financing activities	–	–	–	–
– Outflow from financing activities	(46,041)	(16,090)	(15,239)	(77,370)
Non-cash changes				
– Acquisition – leases	–	33,835	–	33,835
– Disposal – leases	–	(2,184)	–	(2,184)
– Disposal of subsidiaries	–	(284)	(264)	(548)
– Finance expense recognized	1,052	6,673	–	7,725
– Accrued dividends payable	–	–	13,529	13,529
– Changes of prepayment	–	(12,547)	–	(12,547)
– Modification of lease	–	(1,645)	–	(1,645)
As at 31 December 2024	–	131,690	476	132,166

37 DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2024, the Group disposed of interests in several subsidiaries to third parties. Details of the disposals are as follows:

	Total
	RMB'000
Cash received	3,286
Outstanding and included in other receivables	1,811
Total disposal considerations	5,097
Total net assets of subsidiaries disposed of	14,697
Less: non-controlling interests disposed of	(7,429)
	7,268
Losses on disposals (Note 10)	(2,171)
Cash proceeds from disposals, net of cash disposed of	
Cash considerations received	3,286
Less: cash and cash equivalents in the subsidiaries disposed of	(11,592)
Net cash outflow on disposals	(8,306)

38 CONTINGENT LIABILITIES

As at 31 December 2024, the Group had been in involved in some unsolved litigations, and in most of which the Group was plaintiff for the collection of receivables from some individually property owners. For the unresolved litigations that the Group was the defendant, the Group had no material contingent liabilities.

39 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Jinke Property Group	Has significant influence over Jinke Services
Chongqing Bijinhui Property Development Co., Ltd.* 重慶市碧金輝房地產開發有限公司	Joint venture of Jinke Property
Dalian Jinke Jiuli Real Estate Development Co., Ltd.* 大連金科九裡房地產開發有限公司	Joint venture of Jinke Property
Changzhou Baijun Property Development Co., Ltd.* 常州百俊房地產開發有限公司	Joint venture of Jinke Property
Zhumadian City Bisheng Real Estate Co., Ltd.* 駐馬店市碧盛置業有限公司	Joint venture of Jinke Property
Chongqing Jinjiahai Real Estate Development Co., Ltd.* 重慶金嘉海房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinmeiyuan Real Estate Development Co., Ltd.* 重慶金美圓房地產開發有限公司	Joint venture of Jinke Property
Chongqing Xidao Property Development Co., Ltd.* 重慶西道房地產開發有限公司	Joint venture of Jinke Property
Chongqing Wisler Construction Co., Ltd.* 重慶威斯勒建設有限公司	Joint venture of Jinke Property
Tianjin Junye Gongchuang Real Estate Co., Ltd.* 天津駿業共創置業有限公司	Joint venture of Jinke Property
Dalian Jinheng Yaohui Real Estate Development Co., Ltd.* 大連金恒耀輝房地產開發有限公司	Joint venture of Jinke Property
Taicang Zhuorun Real Estate Development Co., Ltd.* 太倉卓潤房地產開發有限公司	Joint venture of Jinke Property
Jiujiang Huadi Jinda Real Estate Co., Ltd.* 九江華地金達房地產有限公司	Joint venture of Jinke Property
Sishui Jinmengquan Real Estate Development Co., Ltd.* 泗水金孟泉房地產開發有限公司	Joint venture of Jinke Property
Guizhou Longli Tianchen Real Estate Development Co., Ltd.* 貴州龍裡天宸房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinjiahe Property Development Co., Ltd.* 重慶金佳禾房地產開發有限公司	Joint venture of Jinke Property
Guizhou Huasheng Yongxin Real Estate Co., Ltd.* 貴州華勝永信置業有限公司	Joint venture of Jinke Property
Shenyang Junhan Real Estate Development Co., Ltd.* 瀋陽駿瀚房地產開發有限公司	Joint venture of Jinke Property
Shanxi Yunheng Property Development Co., Ltd.* 山西運恒房地產開發有限公司	Joint venture of Jinke Property
Liuzhou Luzhai Jinrun Real Estate Development Co., Ltd.* 柳州鹿寨金潤房地產開發有限公司	Joint venture of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Name and relationship with related parties *(Continued)*

Name	Relationship
Huaian Jinji Property Service Co., Ltd.* 淮安金吉物業服務有限公司	Joint venture of Jinke Property
Chongqing Jinyuhui Real Estate Development Co., Ltd.* 重慶金煜輝房地產開發有限公司	Joint venture of Jinke Property
Guangxi Huixian Real Estate Co., Ltd.* 廣西匯賢置業有限公司	Joint venture of Jinke Property
Wuhan Yejin Real Estate Development Co., Ltd.* 武漢業錦房地產開發有限公司	Joint venture of Jinke Property
Wuhan Yeshuo Real Estate Development Co., Ltd.* 武漢業碩房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinjunrui Real Estate Development Co., Ltd.* 重慶金俊瑞房地產開發有限公司	Joint venture of Jinke Property
Jinan Jinke Xicheng Property Development Co., Ltd.* 濟南金科西城房地產開發有限公司	Joint venture of Jinke Property
Chongqing Kunxiang Yutang Property Development Co., Ltd.* 重慶昆翔譽棠房地產開發有限公司	Joint venture of Jinke Property
Henan Zhongshu Enterprises Co., Ltd.* 河南中書置業有限公司	Joint venture of Jinke Property
Hunan Jinke Jingchao Industry Development Co., Ltd.* 湖南金科景朝產業發展有限公司	Joint venture of Jinke Property
Changzhou Jinke Property Development Co., Ltd.* 常州金科房地產開發有限公司	Joint venture of Jinke Property
Foshan Jinji Real Estate Development Co., Ltd.* 佛山市金集房地產開發有限公司	Joint venture of Jinke Property
Dalian Jinhongji Real Estate Development Co., Ltd.* 大連金泓基房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinke Junzhi Property Development Co., Ltd.* 重慶市金科駿志房地產開發有限公司	Joint venture of Jinke Property
Chongqing Meichengjin Property Development Co., Ltd.* 重慶美城金房地產開發有限公司	Joint venture of Jinke Property
Dalian Fengmao Enterprises Co., Ltd.* 大連豐茂置業有限公司	Joint venture of Jinke Property
Suqian Tongjinhong Real Estate Co., Ltd.* 宿遷市通金弘置業有限公司	Joint venture of Jinke Property
Guigang Yuegui Real Estate Development Co., Ltd.* 貴港悦桂房地產開發有限公司	Joint venture of Jinke Property
Chongqing Pinjinyue Property Development Co., Ltd.* 重慶品錦悦房地產開發有限公司	Joint venture of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Name and relationship with related parties *(Continued)*

Name	Relationship
Chongqing Jinjianglian Property Development Co., Ltd.* 重慶金江聯房地產開發有限公司	Joint venture of Jinke Property
Chongqing Xilianjin Property Development Co., Ltd.* 重慶西聯錦房地產開發有限公司	Joint venture of Jinke Property
Beijing Jinke Jinbi Real Estate Co., Ltd.* 北京金科金碧置業有限公司	Joint venture of Jinke Property
Hebei Guokong Lancheng Property Development Co., Ltd.* 河北國控藍城房地產開發有限公司	Joint venture of Jinke Property
Nanjing Yuhong Property Development Co., Ltd.* 南京裕鴻房地產開發有限公司	Joint venture of Jinke Property
Shangrao Kesong Enterprises Co., Ltd.* 上饒市科頌置業有限公司	Joint venture of Jinke Property
Guangxi Tangpeng Investment Co., Ltd.* 廣西唐鵬投資有限公司	Joint venture of Jinke Property
Changsha Jingke Real Estate Co., Ltd.* 長沙景科置業有限公司	Joint venture of Jinke Property
Chongqing Jinnan Shengtang Property Development Co., Ltd.* 重慶金南盛唐房地產開發有限公司	Joint venture of Jinke Property
Shijiazhuang Jinke Property Development Co., Ltd.* 石家莊金科房地產開發有限公司	Joint venture of Jinke Property
Dalian Jinkun Real Estate Development Co., Ltd.* 大連金坤房地產開發有限公司	Joint venture of Jinke Property
Chongqing Lanbo Bay Real Estate Co., Ltd.* 重慶藍波灣置業有限公司	Joint venture of Jinke Property
Nanning Qingzhou Real Estate Development Co., Ltd.* 南寧晴洲房地產開發有限公司	Joint venture of Jinke Property
Qingdao Hengmei Real Estate Co., Ltd.* 青島恒美置業有限公司	Joint venture of Jinke Property
Yulin Longhe Country Garden Real Estate Development Co.,Ltd.* 玉林市龍河碧桂園房地產開發有限公司	Joint venture of Jinke Property
Dalian Hongkun Enterprises Co., Ltd.* 大連弘坤實業有限公司	Joint venture of Jinke Property
Chongqing Bangtai Rongfeng Real Estate Development Co., Ltd.* 重慶邦泰蓉峰房地產開發有限公司	Joint venture of Jinke Property
Zhuzhou Jingke Real Estate Co., Ltd.* 株洲景科置業有限公司	Joint venture of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Name and relationship with related parties *(Continued)*

Name	Relationship
Xinmi Shouli Real Estate Co., Ltd.* 新密首利置業有限公司	Joint venture of Jinke Property
Henan Jinshangbaishi Enterprises Co., Ltd.* 河南金上百世置業有限公司	Joint venture of Jinke Property
Zhengzhou Qianshang Real Estate Co., Ltd.* 鄭州千上置業有限公司	Joint venture of Jinke Property
Shijiazhuang Jinke Tianyao Property Development Co., Ltd.* 石家莊金科天耀房地產開發有限公司	Joint venture of Jinke Property
Huaian Jinji Real Estate Co., Ltd.* 淮安金吉置業有限公司	Joint venture of Jinke Property
Chongqing Yingtai Boyuan Real Estate Co., Ltd.* 重慶盈泰博遠置業有限公司	Joint venture of Jinke Property
Fujian Hilton Holiday Hotel Co., Ltd.* 福建希爾頓假日大酒店有限公司	Joint venture of Jinke Property
Xuchang Jinyao Property Co., Ltd.* 許昌金耀房地產有限公司	Joint venture of Jinke Property
Jinan Hairui Property Development Co., Ltd.* 濟南海睿房地產開發有限公司	Joint venture of Jinke Property
Jian Jinchen Property Development Co., Ltd.* 吉安金晨房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinchen Jinyu Real Estate Development Co., Ltd.* 重慶金宸錦宇房地產開發有限公司	Joint venture of Jinke Property
Shanghai Jinyue Le Fang Commercial Management Co., Ltd.* 上海金悦樂方商業管理有限公司	Joint venture of Jinke Services
Chongqing Jinyue Le Fang Commercial Management Co., Ltd.* 重慶金悦樂方商業管理有限公司	Joint venture of Jinke Services
Shanghai Jinyue Longji Business Management Co., Ltd.* 上海金悦隆際商業經營管理有限公司	Joint venture of Jinke Services
Chongqing Jinke Xinci Business Management Co., Ltd.* 重慶金科鑫磁商業管理有限公司	Joint venture of Jinke Services
Wuhan Wenfu Jinju Wisdom Service Management Co., Ltd.* 武漢文服金聚智慧服務管理有限公司	Joint venture of Jinke Services
Hunan Baize Property Management Co., Ltd.* 湖南白澤物業管理有限公司	Joint venture of Jinke Services

39 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Name and relationship with related parties *(Continued)*

Name	Relationship
Nanning Weikai Intelligent Property Services Co., Ltd.* 南寧威凱智慧物業服務有限公司	Associate of Jinke Services
Urumqi Tianjierenhe Labor Dispatching Co., Ltd.* 烏魯木齊天潔仁和勞務派遣有限公司	Associate of Jinke Services
Beijing Yitu Exit-entry Service Co., Ltd.* 北京壹途因私出入境服務有限公司	Associate of Jinke Services
Jiangxi Jinke Haimian City Smart Service Co., Ltd.* 江西金科海綿城市智慧服務有限公司	Associate of Jinke Services
Leshan High-tech Investment Smart City Operation Property Management Co., Ltd.* 樂山高新投智慧城市運營物業管理有限公司	Associate of Jinke Services
Neijiang Road Intelligence Property Service Co., Ltd.* 內江路科智慧物業服務有限公司	Associate of Jinke Services
Renhuai Chengke Property Service Co., Ltd.* 仁懷市城科物業服務有限公司	Associate of Jinke Services
Ningxia Chengfa Jinyue City Service Co., Ltd.* 寧夏城發金悅城市服務有限責任公司	Associate of Jinke Services
Neijiang Jinchen Wisdom Property Service Co., Ltd.* 內江市金宸智慧物業服務有限公司	Associate of Jinke Services
Chongqing Jinke Jiefu Education Technology Co., Ltd.* 重慶市金科傑夫教育科技有限公司	Associate of Jinke Services
Chongqing Tianhuitong Technology Co., Ltd.* 重慶天匯通科技有限公司	Associate of Jinke Services
Chongqing Jiangnan Jinyue Jiangnan Jinyue Smart City Operation Management Co., Ltd.* 重慶市江南金悅智慧城市運營管理有限公司	Associates of Jinke Services
Luquan Four Seasons Property Management Co., Ltd.* 祿勸四季活利物業管理有限公司	Associates of Jinke Services
Chongqing Jin Yue Yu Ying Commercial Management Co., Ltd. * 重慶金悅裕盈商業管理有限公司	Joint venture of Jinke Services
Wuhan Zhuoxi Hotel Management Co., Ltd * 武漢卓璽酒店管理有限公司	Associates of Jinke Services

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

39 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Provision of services		
– Jinke Property Group	**21,612**	125,559
– Joint ventures and associates of Jinke Services	**19,452**	41,442
– Joint ventures of Jinke Property	**8,077**	25,014
	49,141	192,015
Acquisition of properties and right-of-use assets		
– Jinke Property Group (i)	**–**	143,949
– Joint ventures of Jinke Property	**3,276**	4,760
	3,276	148,709
Purchase of goods and services		
– Joint ventures and associates of Jinke Services	**43,747**	26,261
– Joint ventures of Jinke Property	**1,223**	608
– Jinke Property Group	**642**	3,488
	45,612	30,357
Interest expense for lease liabilities		
– Jinke Property Group	**1,873**	2,213
Settlement of lease liabilities		
– Jinke Property Group	**10,143**	5,753
Loans to related party		
– A joint venture of Jinke Services	**2,000**	29,000

39 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties *(Continued)*

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Repayments for principal and interests of loans from related party		
– A joint venture of Jinke Services	**10,554**	–
Interest income from loans to a related party		
– Jinke Property Group (Note 7)	**21,616**	111,603
– A joint venture of Jinke Services	**1,431**	–
	23,047	111,603

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

(c) Key management compensation

Compensations for key management other than those for directors and supervisors as disclosed in Note 41 is set out below.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Salaries and other short-term employee benefits	**5,786**	5,325
Discretionary Bonuses	**1,711**	1,740
Contribution to pension scheme	**124**	120
Share-based payments	**9,239**	2,213
	16,860	9,398

39 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Balances with related parties

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
– Jinke Property Group	**613,351**	617,278
– Joint ventures of Jinke Property	**52,034**	49,524
– Joint ventures and associates of Jinke Services	**12,581**	9,512
	677,966	676,314
Bill receivables		
– Jinke Property Group	**15,450**	15,450
Loans to a related party		
– Jinke Property Group	**1,646,821**	1,623,908
Other receivables		
– Jinke Property Group (i)(ii)	**466,757**	473,227
– Joint ventures and associates of Jinke Services	**23,396**	30,398
– Joint ventures of Jinke Property	**7,049**	6,963
	497,202	510,588
Finance lease receivables		
– Associates of Jinke Services	**79,388**	79,249
Prepayments		
– Jinke Property Group	**203**	7,184
– A Joint venture of Jinke Property	**10**	–
	213	7,184

39 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Balances with related parties *(Continued)*

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– Joint ventures and associates of Jinke Services	**16,005**	14,070
– Jinke Property Group	**3,303**	2,956
– Joint ventures of Jinke Property	**16**	6
	19,324	17,032
Bill payables		
– A joint venture of Jinke Services	**5,144**	4,995
Other payables		
– Jinke Property Group	**64,808**	62,501
– Joint ventures of Jinke Property	**2,105**	1,514
– Joint ventures and associates of Jinke Services	**301**	267
	67,214	64,282
Contract liabilities		
– Jinke Property Group	**2,424**	4,172
– Joint ventures of Jinke Property	**4**	685
– An associate of Jinke Services	**–**	3
	2,428	4,860
Guarantee provided		
– Joint ventures of Jinke Services (iii)	**53,000**	20,000

Above trade receivables, bill receivables, trade payables, bill payables and contract liabilities due from/to related parties are trade in nature, while the other receivables and other payables due from/to related parties, except performance guarantee deposits and collection of parking lots sales on behalf of the Jinke Property Group, are non-trade in nature.

Other payables due to related parties are unsecured, interest-free and repayable on demand.

39 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Balances with related parties *(Continued)*

(i) The acquisition is related to the debt settlement transaction and the details are as follows.

The Group entered into the Debt Settlement Agreement with Jinke Property in December 2023. Pursuant to the Debt Settlement Agreement, the Group and Jinke Property has settled partial of the other receivables through the right-of-use assets of parking lots. The initial cost of right-of-use assets is measured at fair value amounted to RMB143,949,000, which is equal to the fair value of the receivables given up.

(ii) The balance mainly represented the refundable deposits for proposed acquisition of the entity under common control and for other related party transactions which are trade in nature to Jinke Property Group.

(iii) For the year ended 31 December 2024, the Company provided guarantee of RMB33,000,000 for the performance in leasing business of a joint venture of Jinke Services, which leased the entire office building from third party property owner and used for subsequent sublease operation and property management.

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

		As at 31 December	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Assets			
Non-current assets			
Property, plant and equipment		**74,392**	81,388
Right-of-use assets		**4,138**	4,312
Investment properties		**13,297**	18,859
Intangible assets		**27,764**	33,789
Investment in subsidiaries		**1,868,595**	2,258,581
Investment in associates and joint ventures		**166,271**	163,464
Other receivables		**76,444**	80,271
Term deposits		**296,873**	120,000
Financial assets at fair value through profit or loss		**45,844**	45,317
Deferred income tax assets		**570,512**	423,072
		3,144,130	3,229,053

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
Current assets			
Inventories		1,090	3,192
Other assets		13,345	11,657
Loan receivables		308,505	372,200
Trade and bill and other receivables and prepayments		1,768,719	2,531,262
Restricted cash		194,736	120,690
Term deposits		92,428	100,000
Financial assets at fair value through profit or loss		92,208	–
Cash and cash equivalents		2,137,304	2,548,772
		4,608,335	5,687,773
Total assets		7,752,465	8,916,826
Equity			
Equity attributable to owners of the Company			
Share capital	28	597,089	639,479
Other reserves	(a)	5,603,310	5,699,385
Accumulated losses	(a)	(1,977,050)	(1,009,137)
Total equity		4,223,349	5,329,727
Liabilities			
Non-current liabilities			
Lease liabilities		1,368	1,724
		1,368	1,724

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
Current liabilities			
Financial liabilities at fair value through profit or loss		**34,450**	38,435
Trade and bill and other payables		**2,762,162**	2,821,497
Lease liabilities		**753**	2,750
Contract liabilities		**709,091**	705,802
Current income tax liabilities		**21,292**	16,891
		3,527,748	3,585,375
Total liabilities		**3,529,116**	3,587,099
Total equity and liabilities		**7,752,465**	8,916,826

The balance sheet of the Company was approved by the Board of Directors on 26 March 2025 and were signed on its behalf.

Mr. Xia Shaofei	**Mr. Yan Lingyang**	**Mr. Qi Shihao**
Chairman & Executive Director	*Chief Financial Officer*	*Non-executive Director*

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(a) Reserve movement of the Company

	Treasury Shares	Shares held for share award scheme	Capital reserves	Share-based compensation reserves	Statutory reserves	Total other reserves	Accumulated losses	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023	–	(100,156)	5,949,337	–	134,562	5,983,743	(278,841)	5,704,902
Loss for the year	–	–	–	–	–	–	(730,296)	(730,296)
Cancellation of shares	129,395	–	(116,026)	–	–	13,369	–	13,369
Repurchase of shares of the Company	(266,979)	–	–	–	–	(266,979)	–	(266,979)
Purchase of shares in connection with share award scheme (Note 29(c))	–	(45,364)	–	–	–	(45,364)	–	(45,364)
Share-based compensation (Note 30)	–	–	–	14,616	–	14,616	–	14,616
Balance at 31 December 2023	(137,584)	(145,520)	5,833,311	14,616	134,562	5,699,385	(1,009,137)	4,690,248
Balance at 1 January 2024	(137,584)	(145,520)	5,833,311	14,616	134,562	5,699,385	(1,009,137)	4,690,248
Loss for the year	-	-	-	-	-	-	(967,913)	(967,913)
Cancellation of shares	309,184	-	(266,794)	-	-	42,390	-	42,390
Repurchase of shares of the Company	(171,600)	-	-	-	-	(171,600)	-	(171,600)
Purchase of shares in connection with share award scheme (Note 29(c))	-	(92,437)	-	-	-	(92,437)	-	(92,437)
Share-based compensation (Note 30)	-	-	-	125,572	-	125,572	-	125,572
Vesting of shares in connection with share award scheme (Note 29(c))	-	170,893	(170,893)	-	-	-	-	-
Balance at 31 December 2024	-	(67,064)	5,395,624	140,188	134,562	5,603,310	(1,977,050)	3,626,260

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS

(a) Directors' and supervisors' emoluments

The directors and supervisors received emoluments from the Group for the year ended 31 December 2024 as follows:

Name	Fees *RMB'000*	Salaries *RMB'000*	Bonuses *RMB'000*	Housing allowance *RMB'000*	Employer's contribution to a retirement benefit scheme *RMB'000*	Share-based payments *RMB'000*	Other allowance and benefits in kind *RMB'000*	Total *RMB'000*
Executive Directors								
Mr. Xia Shaofei	200	2,073	707	26	35	4,718	25	7,784
Non-executive Directors								
Mr. Xu Guofu (Note (i))	200	–	–	–	–	10,913	–	11,113
Mr. Shi Cheng (Note (ii))	200	–	–	–	–	505	–	705
Mr. Wu Xiaoli (Note (vii))	–	–	–	–	–	–	–	–
Ms. Lin Ke (Note (vii))	–	–	–	–	–	–	–	–
Mr. Qi Shihao (Note (v)(vii))	–	–	–	–	–	–	–	–
Independent non-executive directors								
Mr. Tung Woon Cheung (Note (ix))	300	–	–	–	–	–	–	300
Ms. Xiao Huilin (Note (viii))	300	–	–	–	–	–	–	300
Ms. Yuan Lin	300	–	–	–	–	–	–	300
Supervisors								
Mr. Yu Yong	120	882	270	26	35	317	24	1,674
Ms. Ren Wenjuan	120	239	77	14	19	158	13	640
Mr. Luo Ruifeng (Note (xii))	120	–	–	–	–	–	–	120
	1,860	3,194	1,054	66	89	16,611	62	22,936

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(a) Directors' and supervisors' emoluments *(Continued)*

The directors and supervisors received emoluments from the Group for the year ended 31 December 2023 as follows:

Name	Fees	Salaries	Bonuses	Housing allowance	Employer's contribution to a retirement benefit scheme	Share-based payments	Other allowance and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors								
Mr. Xia Shaofei	206	2,206	1,050	26	35	1,475	24	5,022
Non-executive Directors								
Mr. Xu Guofu (Note (i))	207	292	–	6	9	–	6	520
Mr. Shi Cheng (Note (ii))	17	–	–	–	–	–	–	17
Mr. Luo Licheng (Note (iii))	90	–	–	–	–	–	–	90
Mr. Liang Zhongtai (Note (iv))	173	–	–	–	–	–	–	173
Mr. Wu Xiaoli (Note (vii))	–	–	–	–	–	–	–	–
Ms. Lin Ke (Note (vii))	–	–	–	–	–	–	–	–
Mr. Qi Shihao (Note (v)(vii))	–	–	–	–	–	–	–	–
Mr. Wei Yi (Note (vi)(vii))	–	–	–	–	–	–	–	–

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(a) Directors' and supervisors' emoluments *(Continued)*

The directors and supervisors received emoluments from the Group for the year ended 31 December 2023 as follows: *(Continued)*

Name	Fees	Salaries	Bonuses	Housing allowance	Employer's contribution to a retirement benefit scheme	Share-based payments	Other allowance and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Independent non-executive directors								
Mr. Tung Woon Cheung (Note (ix))	75	–	–	–	–	–	–	75
Ms. Xiao Huilin (Note (viii))	175	–	–	–	–	–	–	175
Ms. Yuan Lin	295	–	–	–	–	–	–	295
Mr. Cao Guohua (Note (x))	120	–	–	–	–	–	–	120
Mr. Chan Chi Fung (Note (x))	120	–	–	–	–	–	–	120
Mr. Wong Yik Chung (Note (xi))	25	–	–	–	–	–	–	25
Supervisors								
Mr. Yu Yong	130	808	294	26	37	274	25	1,594
Ms. Ren Wenjuan	130	222	84	14	21	137	14	622
Mr. Luo Ruifeng (Note (xii))	70	–	–	–	–	–	–	70
Mr. Han Chong (Note (xiii))	60	–	–	–	–	–	–	60
	1,893	3,528	1,428	72	102	1,886	69	8,978

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(a) Directors' and supervisors' emoluments *(Continued)*

(i) Mr. Xu Guofu re-designated from an executive director to a non-executive director on 13 February 2023.

(ii) Mr. Shi Cheng was appointed as non-executive director on 7 December 2023.

(iii) Mr. Luo Licheng retired and no longer served as non-executive director on 8 June 2023.

(iv) Mr. Liang Zhongtai resigned the position of non-executive director on 3 November 2023.

(v) Mr. Qi Shihao was appointed as non-executive director on 7 December 2023.

(vi) Mr. Wei Yi was appointed as non-executive director on 8 June 2023 and resigned on 3 November 2023.

(vii) The non-executive Directors, Mr. Wu Xiaoli, Ms. Lin Ke, Mr. Qi Shihao and Mr. Wei Yi have respectively made arrangements with the Company under which they have waived or agreed to waive their emoluments, and they did not receive any emoluments from the Group for the year ended 31 December 2023.

(viii) Ms. Xiao Huilin was appointed as independent non-executive director on 8 June 2023.

(ix) Mr. Tung Woon Cheung was appointed as independent non-executive director on 13 October 2023.

(x) Mr. Cao Guohua and Mr. Chan Chi Fung retired and no longer served as independent non-executive director on 8 June 2023.

(xi) Mr. Wong Yik Chung was appointed as independent non-executive director on 8 June 2023 and resigned on 27 June 2023.

(xii) Mr. Luo Ruifeng was appointed as supervisor on 8 June 2023.

(xiii) Mr. Han Chong retired and no longer served as supervisor on 8 June 2023.

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office.

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(b) Directors' retirement benefits and termination benefits

There were no retirement benefits was paid to or receivable by directors during the year ended 31 December 2024 by defined benefit pension plans operated by the Group and there were no director's termination benefits subsisted during the year ended 31 December 2024 (2023: nil).

(c) 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 ended 31 December 2024 (2023: nil).

(d) 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 ended 31 December 2024 (2023: nil).

(e) Directors' material interests in transactions, arrangements or contracts

There were no 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 during the year ended 31 December 2024 (2023: nil).

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

42.1 Principles of consolidation and equity accounting

(i) 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.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 42.2).

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized 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 comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) 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 (see Note 42.1(iv) below), after initially being recognized at cost.

(iii) 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.

Interests in joint ventures are accounted for using the equity method (see Note 42.1(iv) below), after initially being recognized at cost in the consolidated statement of financial position.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

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

(iv) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize 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 recognized 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 recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized 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 42.9.

(v) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized 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 recognized 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 recognized 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 recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

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

(v) Changes in ownership interests in subsidiaries without change of control (Continued)

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 recognized in other comprehensive income are reclassified to profit or loss where appropriate.

42.2 Business combinations

The acquisition method of accounting is used to account for all business combinations not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.2 Business combinations *(Continued)*

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

42.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries arc 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.

42.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.5 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 the Group's 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 recognized within "Other losses – net" in the consolidated statement of comprehensive income.

42.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. 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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial 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.

Construction in progress represents the direct costs of construction incurred of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other losses – net" in the consolidated statement of comprehensive income.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.7 Investment properties

Investment properties, principally nursery properties freehold or held under leases, are held for rental yields or for capital appreciation or both and are not occupied by the Group. 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 20 to 44 years.

42.8 Intangible assets

(i) Goodwill

Goodwill is measured as described in Note 42.8 (i). Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs 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, being the operating segments.

(ii) Software

Computer software are initially recognized and measured at costs incurred to acquire and bring them to use. Computer software are amortized over their estimated useful lives (generally 5 or 10 years, based on management's expectation on the technological lives of the systems), using the straight-line method which reflects the pattern in which the intangible asset's future economic benefits are expected to be consumed.

(iii) Customer relationships

Customer relationship is recognized through business combinations. Customer relationship acquired in a business combination is recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortization is calculated using the straight-line method over the expected life of 10 years for the customer relationship.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.9 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal 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 (CGUs). Non-financial assets other than goodwill suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

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

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.10 Investments and other financial assets *(Continued)*

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized 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.

Debt instruments

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

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "Other losses – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "Other losses – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other losses – net" and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "Other losses – net" in the period in which it arises.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.10 Investments and other financial assets *(Continued)*

(iii) Measurement (Continued)

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 recognized 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 recognized in "Other losses – net" in the statement of 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.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 23 for further details. The provision matrix is determined based on historical observed default rates over the expected life of trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables from third parties and related parties are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

42.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

42.13 Other assets

Other assets represent parking lots and residential and commercial properties are initially recognized and measured at costs incurred to acquire. Other assets are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price of disposals, less the estimated costs of completion and the estimated costs necessary to make the disposals.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within “Other losses – net” in the consolidated statement of comprehensive income.

42.14 Cash and cash equivalents, term deposits and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions 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 with initial terms of over three months are included in “Term deposits” in the consolidated statement of financial position.

Bank deposits which are restricted to use are included in “Restricted cash” in the consolidated statement of financial position.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.15 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.

42.16 Share-based payments

The Company operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as in exchange for equity instruments (equity – settled transactions).

The total amount to be expensed is measured by reference to the fair value of the share at the date at which they are granted.

The total expense of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired. The charge or credit to the consolidated income statement for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the fair value of awards at grant date, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

The grant by the Company of its shares to the employees of the subsidiaries of the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the fair value at grant date, is recognized over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

The shares granted to non-employees were accounted for as equity-settled awards. Awards granted to non-employees are recognized over the period the service is provided and measured at the average share price over that period until the date the service is completed.

42.17 Trade and other payables

These amounts 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 recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.18 Financial instruments issued to investors

Financial instruments issued to investors represented issuance of ordinary shares with certain preferential rights to certain investors of Tianqi Technology, a subsidiary of Jinke Services. According to the agreement, the ordinary shares will become redeemable by the holder under certain events which are out of the Group's control.

As the Group does not have the unconditional right to avoid delivering cash or another financial assets to settle contractual obligation, the Group recognized a financial liability which recognized initially at the present value of the redemption amount. The financial liabilities are subsequently measured at amortized cost. Interests from the financial instruments are charged in "Finance cost". Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate, and the adjustments will be recognized as "Finance cost" (Note 32). The redemption liabilities are classified as current liabilities unless the preferential rights can only be exercised after 12 months after the end of each reporting period.

42.19 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.19 Current and deferred income tax *(Continued)*

(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 income tax liabilities are not recognized 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and 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.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.20 Employee benefits

(i) Pension obligations

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

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

(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 recognizes 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 recognizes 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 the reporting period are discounted to their present value.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.20 Employee benefits *(Continued)*

(iv) Short-term obligations

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

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

42.21 Provisions

Provisions for legal claims, service warranties and make good obligations are recognized 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 recognized 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 recognized 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 recognized as interest expense.

42.22 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 amortized cost calculated using the effective interest method is recognized in profit or loss and presented in the consolidated statement of comprehensive income as "Other income."

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.23 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.

42.24 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.25 Government grants

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

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

43 EVENT AFTER THE BALANCE SHEET DATE

Save as disclosed in this report, there are no material subsequent event undertaken by the Company or by the Group.

FIVE-YEAR FINANCIAL SUMMARY

	Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	RMB'000
Revenue	**4,585,435**	4,979,741	5,005,059	5,968,448	3,371,878
Cost of sales	**(3,925,421)**	(4,051,564)	(4,061,857)	(4,122,014)	(2,362,589)
Gross profit	**660,014**	928,177	943,202	1,846,434	1,009,289
Selling and marketing expenses	**(29,540)**	(2,150)	(4,639)	(3,073)	(1,672)
Administrative expenses	**(614,224)**	(602,763)	(557,881)	(481,288)	(251,600)
Net impairment losses on financial assets	**(556,556)**	(1,470,565)	(2,152,408)	(68,728)	(8,209)
Other income	**55,852**	149,703	44,147	25,223	47,908
Other losses – net	**(64,748)**	(166,354)	(307,250)	(26,957)	(37,269)
Operating loss	**(549,202)**	(1,163,952)	(2,034,829)	1,291,611	758,447
Finance income	**27,249**	46,455	41,888	26,732	85,394
Finance cost	**(8,982)**	(13,981)	(10,217)	(1,591)	(76,988)
Finance income – net	**18,267**	32,474	31,671	25,141	8,406
Share of net profits of associates and joint ventures accounted for using the equity method	**20,113**	11,933	1,765	4,101	(845
Impairment loss on investment in an associate	**(35,976)**	–	–	–	–
Loss before income tax	**(546,798)**	(1,119,545)	(2,001,393)	1,320,853	766,008
Income tax (expenses)/credit	**(4,178)**	137,884	161,458	(244,023)	(133,791)
Loss and total comprehensive income for the year	**(550,976)**	(981,661)	(1,839,935)	1,076,830	632,217
Loss and total comprehensive income attributable to:					
– Owners of the Company	**(587,302)**	(951,038)	(1,818,545)	1,057,182	616,616
– Non-controlling interests	**36,326**	(30,623)	(21,390)	19,648	15,601
	(550,976)	(981,661)	(1,839,935)	1,076,830	632,217
Losses per share (expressed in RMB per share)					
– Basic and diluted losses per share	**(0.98)**	(1.49)	(2.80)	1.62	1.24

FIVE-YEAR FINANCIAL SUMMARY

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets	**2,038,188**	1,990,392	2,006,597	983,506	109,416
Current assets	**4,677,178**	5,666,935	6,350,162	9,455,987	8,515,147
Total assets	**6,715,366**	7,657,327	8,356,759	10,439,493	8,624,563
Equity					
Equity attributable to owners of the Company	**3,351,752**	4,077,934	5,326,783	7,657,005	7,198,336
Non-controlling interests	**30,175**	19,313	73,582	72,971	38,311
Total equity	**3,381,927**	4,097,247	5,400,365	7,729,976	7,236,647
Liabilities					
Non-current liabilities	**147,451**	187,277	192,394	193,249	46,082
Current liabilities	**3,185,988**	3,372,803	2,764,000	2,516,268	1,341,834
Total liabilities	**3,333,439**	3,560,080	2,956,394	2,709,517	1,387,916
Total equity and liabilities	**6,715,366**	7,657,327	8,356,759	10,439,493	8,624,563

GLOSSARY AND DEFINITION

In this annual report, unless the context otherwise requires, the following words and expressions have the following meanings.

"2022 H Share Award Scheme"	the H Share award scheme adopted by the Company on 30 December 2022
"2023 Share Award Scheme"	the share award scheme adopted by the Company on 30 March 2023
"AGM"	the annual general meeting of the Company to be convened and held on Friday, 6 June 2025
"Articles of Association" or "Articles"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Board Committees"	the Audit Committee, ESG Committee, Nomination Committee and Remuneration Committee, collectively
"Board Diversity Policy"	the board diversity policy of the Company
"CG Code"	Part 2 of the Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company" or "Jinke Services"	Jinke Smart Services Group Co., Ltd.* (金科智慧服務集團股份有限公司), a limited liability company established in the PRC on 18 July 2000 and converted into a joint stock company with limited liability on 28 May 2020, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9666)
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Directors' Remuneration Policy"	the Directors' remuneration policy of the Company
"ESG"	environmental, social and governance
"ESG Committee"	the environmental, social and governance committee of the Board

"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"H Shares"	the overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Administrative Region of the PRC
"Independent Third Party(ies)"	individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)
"Jinke Property"	Jinke Property Group Co., Ltd.* (金科地產集團股份有限公司), a joint stock company with limited liability established in the PRC on 29 March 1994, listed on the Shenzhen Stock Exchange (stock code: 000656.SZ)
"Jinke Property Group"	Jinke Property and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Nomination Policy"	the nomination policy of the Company
"Over-allotment Option"	the option granted by the Company to allot and issue up to 19,936,700 additional H Shares in connection with the global offering of the Company as disclosed in the Prospectus
"Prospectus"	the prospectus of the Company dated 5 November 2020
"Remuneration Committee"	the remuneration committee of the Board

GLOSSARY AND DEFINITION

"Reporting Period" or "Year"	the year ended 31 December 2024
"RMB" or "Renminbi"	the lawful currency of the People's Republic of China
"Selected Participant(s)"	eligible participants selected by the Board and delegatee to participate in the 2022 H Share Award Scheme, or a participant who has been selected by the administrative committee to participate in the 2023 Share Award Scheme, where applicable
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the H Shares only
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"sq.m."	square meter(s)
"USA"	the United States of America
"US$" or "United States dollars"	US dollars, the lawful currency of the United States of America
"%"	percent

* *for identification purpose only*

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