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Xi'an Kingfar Property Services Co., Ltd.
西安經發物業股份有限公司

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

(Stock Code: 1354)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS

The Board of Xi'an Kingfar Property Services Co., Ltd. announces the audited consolidated annual results of the Company and its subsidiaries for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023.

FINANCIAL SUMMARY

	For the year ended	
	31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	951,527	862,247
Gross profit	143,220	118,036
Gross profit margin	15.1%	13.7%
Profit for the year	61,092	51,018
Net profit margin	6.4%	5.9%
Profit attributable to owners of the Company	59,031	49,726
Basic earnings per share (<i>RMB per share</i>)	1.01	0.99

For the year ended 31 December 2024, the total revenue of the Group was approximately RMB951.5 million, representing an increase of approximately 10.4% from approximately RMB862.2 million for the year ended 31 December 2023.

For the year ended 31 December 2024, the gross profit of the Group was approximately RMB143.2 million, representing an increase of approximately 21.4% from approximately RMB118.0 million for the year ended 31 December 2023. The Group's gross profit margin was approximately 15.1%, representing an increase of approximately 1.4% as compared with the gross profit margin of approximately 13.7% for the year ended 31 December 2023.

For the year ended 31 December 2024, the profit of the Group was approximately RMB61.1 million, representing an increase of approximately 19.8% from approximately RMB51.0 million for the year ended 31 December 2023.

As at 31 December 2024, the Group had a total contracted GFA of approximately 18.1 million sq.m., representing an increase of approximately 20.7% as compared with 31 December 2023.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi (“RMB”))

	<i>Notes</i>	Year ended 31 December	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	951,527	862,247
Cost of sales		<u>(808,307)</u>	<u>(744,211)</u>
Gross profit		143,220	118,036
Other income	4	8,531	3,833
Administrative and other expenses		(65,093)	(53,137)
Research and development costs		(469)	(191)
Impairment loss on trade and other receivables		<u>(11,364)</u>	<u>(3,871)</u>
Profit from operations		74,825	64,670
Net finance costs	5(a)	<u>(443)</u>	<u>(1,496)</u>
Profit before taxation		74,382	63,174
Income tax	6	<u>(13,290)</u>	<u>(12,156)</u>
Profit and total comprehensive income for the year		61,092	51,018
Attributable to:			
Equity shareholders of the Company		59,031	49,726
Non-controlling interests		<u>2,061</u>	<u>1,292</u>
Profit and total comprehensive income for the year		61,092	51,018
Earnings per share	7		
Basic and diluted (<i>RMB</i>)		<u>1.01</u>	<u>0.99</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Non-current assets			
Investment property and other plant and equipment		95,847	62,940
Intangible assets		7,465	7,415
Goodwill		1,769	1,769
Prepayments for acquisition of properties		–	36,611
Deferred tax assets		13,059	12,388
		<u>118,140</u>	<u>121,123</u>
		-----	-----
Current assets			
Inventories		330	840
Trade and other receivables	8	252,674	262,307
Prepayments	9	8,631	7,125
Cash at bank and on hand		426,892	258,478
		<u>688,527</u>	<u>528,750</u>
		-----	-----
Current liabilities			
Trade and other payables	10	497,081	466,515
Contract liabilities		37,312	38,977
Lease liabilities		1,205	676
Current taxation		4,433	4,204
		<u>540,031</u>	<u>510,372</u>
		-----	-----
Net current assets		<u>148,496</u>	<u>18,378</u>
		-----	-----
Total assets less current liabilities		<u>266,636</u>	<u>139,501</u>
		-----	-----
Non-current liabilities			
Long-term payables		2,603	16,062
Deferred income		909	1,200
Lease liabilities		81	275
		<u>3,593</u>	<u>17,537</u>
		-----	-----
NET ASSETS		<u>263,043</u>	<u>121,964</u>
		=====	=====

		As at 31 December	
		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
CAPITAL AND RESERVES			
Share capital	11	66,667	50,000
Reserves		189,333	66,982
Total equity attributable to equity shareholders of the Company		256,000	116,982
Non-controlling interests		7,043	4,982
TOTAL EQUITY		263,043	121,964

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

Xi'an Kingfar Property Services Co., Ltd. (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on 5 December 2000 as a limited liability company under the Company Law of the PRC and converted into a joint stock company with limited liability on 29 December 2020. The address of the Company’s registered office is Room 10701, Unit 1, Building 3, Xi’an Financial Innovation Center, No. 51 Fengcheng Second Road, Economic and Technological Development Zone, Xi’an, Shaanxi, PRC. The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 3 July 2024.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of city services, residential property management services and commercial property management services in the PRC.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

(c) **Changes in accounting policies**

(i) *New and amended IFRS Accounting Standards*

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRS Accounting Standards are discussed below:

Amendments to IAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the “IAS 1 amendments”)

The IAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the IAS 1 amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to IFRS 16, Leases – Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to IAS 7, Statement of cash flows and IFRS 7, Financial instruments: disclosures – Supplier finance arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk. The Group has provided the new disclosures in Note 10.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are city services, residential property management services and commercial property management services.

Disaggregation of revenue from contracts with customers by timing of revenue recognition and principal activities lines is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
Over time	905,366	813,551
Point in time	46,161	48,696
	<u>951,527</u>	<u>862,247</u>
Total	951,527	862,247
Revenue from contracts with customers within the scope of IFRS 15		
City services	594,309	524,908
Residential property management services	200,914	184,170
Commercial property management services	153,056	149,844
	<u>948,279</u>	<u>858,922</u>
Revenue from other sources		
Gross rental income	3,248	3,325
	<u>3,248</u>	<u>3,325</u>
Total	951,527	862,247

For the years ended 31 December 2024 and 2023, revenue from Xi'an Economic and Technological Development Zone Management Committee ("Xi'an ETDZ MC") contributed 25% and 27% respectively of the Group's revenue. Other than Xi'an ETDZ MC, the Group's customer base is diversified and none of them contributed 10% or more of the Group's revenue.

(b) Segment reporting

The Group is principally engaged in the provision of city services, residential property management services and commercial property management services in the PRC. Management views the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the management of the Company are of the view that there is only one segment which is used to make strategic decisions.

The Group generated all revenue in the PRC and no non-current assets of the Group are located outside the PRC, accordingly, no analysis of geographic information is presented.

4 OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest income	1,214	614
Government grants (<i>Note (i)</i>)	6,739	1,745
Income from additional deduction on input VAT	62	890
Others	516	584
	<u>8,531</u>	<u>3,833</u>

Note:

- (i) The government grants represent subsidies from various PRC authorities. There are no unfulfilled conditions or future obligations attached to these subsidies.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest on lease liabilities	63	47
Interest on interest-bearing borrowings	–	194
Bank and other charges	1,396	1,255
Net foreign exchange gain	(1,016)	–
	<u>443</u>	<u>1,496</u>

(b) Staff costs

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries, wages and other benefits	481,491	449,655
Contributions to defined contribution retirement plans	46,051	40,420
	<u>527,542</u>	<u>490,075</u>

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

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items**

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Depreciation charge		
– Owned property and equipment	10,715	9,620
– Right-of-use assets	1,176	1,181
	11,891	10,801
Amortisation cost of intangible assets	1,482	1,055
Recognition/(reversal) of impairment loss on trade and other receivables		
– Trade receivables	5,827	(740)
– Bills receivable	75	70
– Other receivables	5,462	4,541
	11,364	3,871
Auditors' remuneration		
– Audit services	2,150	570
Net loss on disposal of other property, plant and equipment	15	19
Cost of inventories	84,461	73,214

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

- (a) Taxation in the consolidated statement of profit and loss and other comprehensive income represents:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC Corporate Income Tax		
Provision for the year	13,961	13,026
Deferred tax		
Origination of temporary differences	(671)	(902)
Effect on deferred tax balances at 1 January resulting from a change in tax rate	–	32
	<u>13,290</u>	<u>12,156</u>

- (b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	74,382	63,174
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdiction concerned <i>(Note (i))</i>	18,596	15,793
Tax concessions <i>(Note (ii))</i>	(4,472)	(3,438)
Tax relief related to additional tax deduction on Small Low-profit Enterprise <i>(Note (iii))</i>	(1,329)	(926)
Tax effect of non-deductible expenses	596	808
Tax relief related to additional deduction on the employment of disabled individuals <i>(Note (iv))</i>	(101)	(113)
Effect on deferred tax balances at 1 January resulting from a change in tax rate	–	32
Actual tax expense	<u>13,290</u>	<u>12,156</u>

Notes:

- (i) The provision for PRC Corporate Income Tax for the years ended 31 December 2024 and 2023 is calculated at a statutory rate of 25% of the estimated assessable profits for the year.
- (ii) Certain subsidiaries of the Company established in the PRC are entitled to tax benefits applicable to entities under the Third Phase of the Western Region Development Plan of the PRC, and enjoy a preferential PRC Corporate Income Tax rate of 15% for the calendar years from 2021 to 2030.
- (iii) Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises and are subject to a preferential income tax rate of 5% during the year ended 31 December 2023 and 2024.
- (iv) Certain subsidiaries of the Company are entitled to an additional 100% deduction of costs incurred for its employment of disabled individuals.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB59,031,000 (2023: RMB49,726,000) and the weighted average of 58,311,000 ordinary shares (2023: 50,000,000 shares) in issue during the year.

Weighted average number of ordinary shares

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Issued ordinary shares at 1 January	50,000	50,000
Effect of shares issued by initial public offering (<i>Note 11</i>)	<u>8,311</u>	<u>–</u>
Weighted average number of ordinary shares at 31 December	<u><u>58,311</u></u>	<u><u>50,000</u></u>

(b) Diluted earnings per share

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential ordinary shares for the years ended 31 December 2024 and 2023.

8 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bills receivable	8,936	6,329
Trade receivables		
– Related parties	37,899	22,938
– Third parties	<u>187,246</u>	<u>190,517</u>
	234,081	219,784
Less: allowance for doubtful debts	<u>(15,905)</u>	<u>(10,003)</u>
Trade and bills receivables, net of loss allowance	<u>218,176</u>	<u>209,781</u>
Amounts due from related parties		
– Non-trade nature	293	–
Deposits	6,839	4,700
Receipts and payments on behalf of property owners	27,581	26,891
Prepayments in connection with the proposed initial listing of the Company's H shares	–	19,266
Others	9,765	7,186
Less: allowance for other receivables	<u>(11,226)</u>	<u>(5,765)</u>
Other receivables, net of loss allowance	<u>33,252</u>	<u>52,278</u>
Financial assets measured at amortised cost	251,428	262,059
Tax recoverable	<u>1,246</u>	<u>248</u>
	<u>252,674</u>	<u>262,307</u>

All of the trade and other receivables are expected to be recovered within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables and bills receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	182,324	182,289
1 to 2 years	30,904	18,857
2 to 3 years	4,948	8,635
	<u>218,176</u>	<u>209,781</u>

9 PREPAYMENTS

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments to:		
– Related parties	1,510	52
– Third parties	7,121	7,073
	<u>8,631</u>	<u>7,125</u>

All of the prepayments are expected to be recognised as expenses within one year.

10 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
– Related parties	8,407	6,475
– Third parties (<i>Note (i)</i>)	149,049	112,651
	<u>157,456</u>	<u>119,126</u>
Amounts due to related parties		
– Non-trade nature	6,624	1,766
– Considerations payable to related parties for business combinations under common control	–	37,846
	<u>6,624</u>	<u>39,612</u>
Other payables and accrued expenses:		
– Accrued payroll and other benefits	149,020	138,907
– Deposits	25,611	23,391
– Receipts and payments on behalf of property owners	98,404	95,719
– Receipts on behalf of residents/tenants	16,983	18,021
– Dividend payables	–	834
– Payables for expenditures incurred in connection with the proposed initial listing of the Company's H share	1,049	5,695
– Payables for maintenance and renovation	13,458	–
– Others	23,219	18,825
	<u>334,368</u>	<u>341,004</u>
Financial liabilities measured at amortised cost	491,824	460,130
Other taxes payable	5,257	6,385
	<u>497,081</u>	<u>466,515</u>

Note:

- (i) RMB15,876,000 was trade payables for supplier finance arrangement of the Group as at 31 December 2024 (31 December 2023: RMB Nil). The Group participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has not derecognised the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group does not incur any additional interest towards the bank on the amounts due to the suppliers. The Group therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables.

All payables under the arrangement are classified as current as at 31 December 2024.

As of the end of reporting period, the ageing analysis of trade payables based on the invoice date, are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 year	139,831	107,315
Over 1 year	17,625	11,811
	157,456	119,126

11 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

The share capital in the Group's consolidated statement of financial position represents the share capital of the Company as at 31 December 2024 and 2023, which was RMB66,666,800 and RMB50,000,000, respectively. The movements are as follows:

	No. of shares	Share capital
		<i>RMB'000</i>
At 1 January 2023 and 31 December 2023	50,000,000	50,000
Issuance of shares by initial public offering (<i>Note (i)</i>)	16,666,800	16,667
At 31 December 2024	66,666,800	66,667

Note:

- (i) On 3 July 2024, 16,666,800 ordinary shares with par value of RMB1 each were issued at a price of HKD7.50 each by initial public offering. The proceeds of RMB16,666,800, representing the par value, were credited to the Company's share capital. The remaining proceeds, net of share issuance expenses, of approximately RMB63,320,000 were credited to the capital reserve.

(b) Dividends

No dividends were paid or declared by the Company or its subsidiaries comprising the Group during the year (2023: RMB Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a state-owned comprehensive city service and property management service provider in Shaanxi Province with presence in Northwest China. The Group has, through over 20 years of development, established an important market position and built a renowned brand in the city service and property management industry in Shaanxi Province. Leveraging the market position of the Group in Shaanxi Province, the Group has also expanded its footprint to Northwest China. Currently, the operations of the Group had covered Xi'an, Tongchuan, Hancheng and Shihezi.

The H Shares were listed on the Main Board of the Stock Exchange on 3 July 2024 by way of Global Offering.

The table below sets forth (i) the Group's three primary business lines; (ii) the major services that the Group provided under each business line; (iii) the types of properties to which the Group provided services under each business line; and (iv) the major customers of each business line during the Reporting Period:

Business Lines	Major Services	Property Profile	Major Customers
City Services	Public property management services	Public properties, such as government buildings, education institutes and hospitals	Government agencies and public authorities
	Municipal management services	Municipal properties, such as public facility and infrastructure	
	Municipal value-added services	Government buildings	
Residential Property Management Services	Basic property management services	Residential properties	Property developers, property owners and residents
	Value-added services		
Commercial Property Management Services	Basic property management services	Office buildings, industrial parks and factories	Property developers, property owners and tenants
	Value-added services		

As at 31 December 2024, the Group was contracted to provide public property management services, basic residential property management services and basic commercial property management services to 174 projects in China, with a total contracted GFA of approximately 18.1 million sq.m. and a GFA under management of approximately 17.3 million sq.m.

BUSINESS REVIEW

During the Reporting Period, the Group derived its revenue primarily from three business lines, namely, (i) city services; (ii) residential property management services; and (iii) commercial property management services.

Portfolio of Properties under Management

The following table sets forth the number of projects and GFA under the Group's management for city services, residential property management services and commercial property management services by business line as at the dates indicated:

	As at 31 December			
	2024		2023	
	Number of projects	GFA under management <i>sq.m.'000</i>	Number of projects	GFA under management <i>sq.m.'000</i>
City services	99	6,206	88	4,396
Residential property management services	31	7,355	27	6,771
Commercial property management services	39	3,787	33	3,440
Total	169	17,348	148	14,607

City Services

The Group commenced its city services in 2004. The Group primarily provides city services to government agencies and public authorities to improve the local environment and local residents' living experience. The city services of the Group primarily include: (i) public property management services, under which the Group provides cleaning, security, as well as common area facility repair and maintenance services to public properties, such as government buildings, education institutes and hospitals; (ii) municipal management services, under which the Group provides (a) cleaning and maintenance services for public facility and infrastructure, such as city roads, overpasses, underpasses and public lavatories; (b) municipal waste collection services through the waste compression stations that the Group operated; and (c) household garbage collection services to enterprises, residential communities, government agencies and public authorities; and (iii) municipal value-added services, which comprise catering services, public parking management services and commissioned administrative services.

Public Property Management Services

The Group provides property management services, including cleaning, security as well as common area facility repair and maintenance services, to public properties, such as government buildings, education institutes and hospitals.

As at 31 December 2024, the Group provided public property management services to 99 public properties with a total GFA under management of approximately 6.2 million sq.m..

Municipal Management Services

The municipal management services of the Group include (i) cleaning and maintenance services to ensure the cleanliness and normal operations of the public facility and infrastructure under the Group's management, including city roads, overpasses, underpasses and public lavatories; (ii) municipal waste collection services, under which the Group collects, transports, sorts, compresses and disposes municipal waste which primarily include trash, garbage and solid waste discarded by the public, through three waste compression stations that the Group operates as at 31 December 2024; and (iii) household garbage collection services, under which the Group collects, transports and disposes household garbage from enterprises, residential communities, government agencies and public authorities in Xi'an as at 31 December 2024.

Municipal Value-Added Services

The Group provides a wide range of municipal value-added services, which comprise (i) commissioned administrative services where the Group is commissioned by government agencies to provide certain administrative services in the city halls and town halls to local citizens on their behalf; (ii) catering services where the Group provides catering services by preparing main courses and side dishes for its customers' regular group meals; and (iii) public parking management services where the Group was commissioned to manage street parking spaces in Jingkai District and the parking spaces located in public facility, and to collect parking fees.

Residential Property Management Services

The Group provides property developers, property owners and residents with a wide range of residential property management services, which comprise (i) basic property management services, including cleaning services, security services, common area facility repair and maintenance services and pre-delivery services; and (ii) value-added services, including private parking management services, sales office management services, catering services and other services.

As at 31 December 2024, the Group provided basic residential property management services to 31 residential properties with a total GFA under management of approximately 7.4 million sq.m.

Commercial Property Management Services

The Group provides property developers, property owners and tenants of commercial properties, including office buildings and industrial parks, with a wide range of commercial property management services, which comprise (i) basic property management services, including cleaning services, security services, common area facility repair and maintenance services and pre-delivery services; and (ii) value-added services, including private parking management services, sales office management services, catering services and other services.

As at 31 December 2024, the Group provided basic commercial property management services to 39 commercial properties with a total GFA under management of approximately 3.8 million sq.m.

OUTLOOK

In 2025, the Group will seize opportunities to become bigger and stronger. Through mergers and acquisitions, joint ventures and project expansion, the Group will achieve scale expansion, increase its market share, strengthen its regional layout and enhance its branding effect. Meanwhile, the Group will refine its standardized service system and optimize customer experience. The Group will also implement its market-oriented mode of development on a deeper level through an accurate grasp of market trends and needs as well as a flexible adjustment of its business strategies, in order to tap into diverse business segments and revenue sources, explore new business models, and achieve coordinated development of business and optimal allocation of resources.

In 2025, the Group will further strive to cultivate a reasonably structured team of excellent and highly qualified talents, and optimize and improve the talent training environment. The Group will focus on shaping and maintaining its brand image while continuously improving its brand awareness and reputation through delivering high-quality services and actively fulfilling its social responsibilities in order to enhance its brand's market presence and customer loyalty.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue by business line for the years indicated:

	Year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
City services	594,309	62.5	524,908	60.9
– Public property management services	327,703	34.4	259,982	30.2
– Municipal management services	191,857	20.2	187,344	21.7
– Municipal value-added services	74,749	7.9	77,582	9.0
Residential property management services	200,914	21.1	184,170	21.3
– Basic residential property management services	133,244	14.0	120,733	14.0
– Residential value-added services	67,670	7.1	63,437	7.3
Commercial property management services	153,056	16.1	149,844	17.4
– Basic commercial property management services	116,042	12.2	113,297	13.2
– Commercial value-added services	37,014	3.9	36,547	4.2
Others ^(Note)	3,248	0.3	3,325	0.4
Total	951,527	100.0	862,247	100.0

Note: Represents rental income derived from leasing an investment property and certain vehicles owned by the Group.

Revenue of the Group increased by approximately 10.4% from approximately RMB862.2 million for the year ended 31 December 2023 to approximately RMB951.5 million for the year ended 31 December 2024, mainly reflecting the following:

- (i) revenue from city services increased by approximately 13.2% from approximately RMB524.9 million for the year ended 31 December 2023 to approximately RMB594.3 million for the year ended 31 December 2024, primarily due to the increase in the GFA under management and the number of public projects managed by the Group;
- (ii) revenue from residential property management services increased by approximately 9.1% from approximately RMB184.2 million for the year ended 31 December 2023 to approximately RMB200.9 million for the year ended 31 December 2024, primarily due to the increase in the GFA under management and the number of residential projects managed by the Group;
- (iii) revenue from commercial property management services increased by approximately 2.2% from approximately RMB149.8 million for the year ended 31 December 2023 to approximately RMB153.1 million for the year ended 31 December 2024, primarily due to the increase in GFA under management and the number of commercial projects managed by the Group; and
- (iv) revenue from others decreased by approximately 3.0% from approximately RMB3.3 million for the year ended 31 December 2023 to approximately RMB3.2 million for the year ended 31 December 2024, primarily due to the slight decrease in the number of vehicles leased.

Cost of Sales

The Group's cost of sales increased from approximately RMB744.2 million for the year ended 31 December 2023 to approximately RMB808.3 million for the year ended 31 December 2024, primarily due to the increase in the cost associated with the increase in business scale of the Group.

Gross Profit and Gross Profit Margin

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

	Year ended 31 December			
	2024		2023	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
City services	71,528	12.0	57,771	11.0
Residential property management services	39,136	19.5	26,995	14.7
Commercial property management services	31,523	20.6	32,668	21.8
Others	1,033	31.8	602	18.1
Total	143,220	15.1	118,036	13.7

The Group's gross profit increased by approximately 21.4% from approximately RMB118.0 million for the year ended 31 December 2023 to approximately RMB143.2 million for the year ended 31 December 2024, primarily due to the expansion of business of the Group.

The Group's gross profit margin for the year ended 31 December 2024 was approximately 15.1%, representing an increase of approximately 1.4% as compared with the gross profit margin of approximately 13.7% for the year ended 31 December 2023, mainly reflecting the following:

- (i) gross profit for city services increased by approximately 23.8% from approximately RMB57.8 million for the year ended 31 December 2023 to approximately RMB71.5 million for the year ended 31 December 2024, mainly due to the increase in revenue and effective cost control measures adopted by the Group;
- (ii) gross profit for residential property management services increased by approximately 44.8% from approximately RMB27.0 million for the year ended 31 December 2023 to approximately RMB39.1 million for the year ended 31 December 2024, primarily due to the increase in the GFA under management of residential projects managed by the Group with relative high gross profit margin;
- (iii) gross profit for commercial property management services decreased by approximately 3.7% from approximately RMB32.7 million for the year ended 31 December 2023 to approximately RMB31.5 million for the year ended 31 December 2024, primarily due to the fact that certain industrial parks under management by the Group imposed on us certain high service requirements leading to the increase in staff costs; and

- (iv) gross profit for others (being rental income derived from leasing an investment property and certain vehicles owned by the Group) increased by approximately 66.7% from approximately RMB0.6 million for the year ended 31 December 2023 to approximately RMB1.0 million for the year ended 31 December 2024, primarily due to the decrease in costs of managing the leased vehicles.

Other Income

The Group's other income primarily consists of (i) interest income, (ii) government grants and (iii) income from additional deduction on input VAT.

The Group's other income increased by approximately 123.7% from approximately RMB3.8 million for the year ended 31 December 2023 to approximately RMB8.5 million for the year ended 31 December 2024, primarily due to the increase in receipt of subsidies from the government.

Administrative Expenses and Research and Development Costs

Administrative expenses and research and development costs increased by approximately 23.1% from approximately RMB53.3 million for the year ended 31 December 2023 to approximately RMB65.6 million for the year ended 31 December 2024, primarily due to the increase in management expenses as a result of the increase in the business scale of the Group.

Impairment Loss on Trade and Other Receivables

Impairment loss on trade and other receivables increased by approximately 192.3% from approximately RMB3.9 million for the year ended 31 December 2023 to approximately RMB11.4 million for the year ended 31 December 2024, primarily due to the increase in trade receivables as a result of the increase in the business scale of the Group.

Finance Costs

Financial costs decreased by approximately 73.3% from approximately RMB1.5 million for the year ended 31 December 2023 to approximately RMB0.4 million for the year ended 31 December 2024, primarily due to the appreciation of the Hong Kong dollar against the Renminbi exchange rate and the exchange gains offset the financial costs.

Income Tax Expense

Income tax expenses increased by approximately 9.0% from approximately RMB12.2 million for the year ended 31 December 2023 to approximately RMB13.3 million for the year ended 31 December 2024.

Profit for the Year

As a result of the foregoing, profit for the year increased by approximately 19.8% from approximately RMB51.0 million for the year ended 31 December 2023 to approximately RMB61.1 million for the year ended 31 December 2024.

Investment Property and Other Property, Plant and Equipment

The Group's investment property and other plant and equipment mainly consist of an investment property of a kindergarten, machinery and other equipment, vehicles and right-of-use assets.

The value of the Group's investment property and other plant and equipment increased by approximately 52.3% from approximately RMB62.9 million as at 31 December 2023 to approximately RMB95.8 million as at 31 December 2024, primarily due to the fact that the purchased office building was converted into fixed assets during the year ended 31 December 2024 when it reached its intended use status.

Trade and Other Receivables

Trade and other receivables primarily arise from provision of various services in the ordinary course of business. The Group recognizes trade receivables when it has an unconditional right to receive consideration. The right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The Group's trade and other receivables decreased from approximately RMB262.3 million as at 31 December 2023 to approximately RMB252.7 million as at 31 December 2024, primarily due to the decrease in other receivables as the prepaid listing expenses offset the issuance premium after the Listing.

Prepayments

The Group's prepayments primarily include prepayments of utility fees, consultancy fees and training fees, and for the purchase of equipment, material and software.

The Group's prepayments increased by approximately 21.1% from approximately RMB7.1 million as at 31 December 2023 to approximately RMB8.6 million as at 31 December 2024, mainly due to the increase in the utilities cost and purchase cost as a result of the increase in the GFA under management by the Group.

Cash at Bank and on Hand

The Group's cash at bank and on hand increased by approximately 65.1% from approximately RMB258.5 million as at 31 December 2023 to approximately RMB426.9 million as at 31 December 2024, primarily due to the net proceeds received by the Company from the Global Offering.

Trade and Other Payables

Trade and other 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.

The Group's trade and other payables increased by approximately 6.6% from approximately RMB466.5 million as at 31 December 2023 to approximately RMB497.1 million as at 31 December 2024, primarily due to the expansion of business scale of the Group.

Contract Liabilities

The Group's contract liabilities primarily consist of prepayments received for the Group's property management and other services from its customers, while the services are yet to be provided.

The Group's contract liabilities decreased from approximately RMB39.0 million as at 31 December 2023 to approximately RMB37.3 million as at 31 December 2024, primarily due to the decrease in the amount of prepayments for the Group's property management services.

Net Current Assets

The Group's net current assets increased from approximately RMB18.4 million as at 31 December 2023 to approximately RMB148.5 million as at 31 December 2024, primarily attributable to (i) an increase in prepayments of approximately RMB1.5 million; (ii) an increase in cash at bank and on hand of approximately RMB168.4 million; and (iii) a decrease in contract liabilities of approximately RMB1.7 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal use of cash has been for working capital purposes. The Group's main source of liquidity has been generated from cash flows from operations and net proceeds received from the Global Offering. As at 31 December 2024, cash and cash equivalents of the Group amounted to approximately RMB424.5 million, 78.9% of which was denominated in RMB (31 December 2023: approximately RMB257.4 million). Going forward, the Group will closely monitor uses of cash and strive to maintain a healthy liquidity for its operations.

Bank Borrowings

As at 31 December 2024, the Group had no borrowings (31 December 2023: nil).

Other Liabilities

As at 31 December 2024, the Group did not have other liabilities (31 December 2023: nil).

Pledge of Assets

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

Gearing Ratio

Gearing ratio is calculated based on the sum of interest-bearing borrowings as at the respective dates divided by total equity as at the same dates and multiplied by 100%. The Group's gearing ratio for the year ended 31 December 2024 was nil (31 December 2023: nil).

Contingent Liabilities

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

Capital Expenditures

The Group's capital expenditures represent addition of property, plant and equipment and intangible assets. The Group incurred capital expenditures of approximately RMB21.2 million for the year ended 31 December 2024 (2023: approximately RMB51.3 million).

MARKET RISK

The Group is exposed to a variety of market risks, including interest rate risk, credit risk and liquidity risk, as set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. During the Reporting Period, the Group did not hedge or consider necessary to hedge any of these risks.

Interest Rate Risk

The exposure of the Group to risk for changes in market interest rates relates primarily to its interest-bearing borrowings. The Group does not use derivative financial instruments to hedge interest rate risk.

Foreign Exchange Risk

The Group's operations are primarily conducted in Renminbi, which is the functional currency of the Group. Material fluctuations in the exchange rate of the Renminbi against the Hong Kong dollar may negatively impact the value and amount of any dividends payable on the shares of the Company. Currently, the Group does not implement any foreign currency hedging policy and the management of the Group will closely monitor any exposure to foreign exchange.

Credit Risk

The Group's credit risk is primarily attributable to cash at bank, trade and bills receivables, prepayments, deposits and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents are limited because the counterparties are banks with a high credit standing assigned by the management of the Group, to which the Group considers to have low credit risk. For the purposes of internal credit risk management, the Group has applied the general approach in IFRS 9 to measure the loss allowance at 12-month ECLs as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for these assets by assessment of probability of default, loss given default and exposure at default.

In respect of amounts due from related parties for non-trade nature, deposits and other receivables, the Group has assessed that the expected credit loss rate for these receivables is immaterial under 12 months expected losses method based on historical settlement records and forward-looking information. Thus, except for RMB11,004,000 (31 December 2023: RMB5,474,000) of allowance provision provided through individually assessment, the Group's exposure to credit risk arising from these receivables is calculated using an expected loss rate of 0.5% for the Reporting Period.

In respect of trade receivables from third parties and related parties, the Group measures loss allowances at an amount equal to lifetime ECLs based on historical settlement records and forward-looking information. The Group has a large number of customers and there was no concentration of credit risk. In addition, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group considers that a default event occurs when there is significant decrease in services fee collection rate and estimate the expected credit loss rate for the Reporting Period. Normally, the Group does not obtain collateral from customers.

For cash and cash equivalents, the Group expects that there is no significant credit risk since they are substantially deposited at state-owned banks or other medium-to-large sized banks. The Group does not expect that there will be any significant losses from non-performance by those counterparties.

Liquidity Risk

The Group aims to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings. Cash flows are closely monitored on an ongoing basis.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Company did not have any significant investment, acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the paragraph headed “Use of proceeds from the Listing” in this section, as at 31 December 2024, the Company did not have any future plans for material investments or additions of capital assets.

Use of Proceeds from the Listing

The 16,666,800 H Shares were listed on the Main Board of the Stock Exchange on the Listing Date at HK\$7.50 per H Share, with net proceeds received by the Company from the Global Offering in the amount of approximately HK\$90.5 million after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering. The following table sets forth the Company’s use of the proceeds from the Global Offering as at 31 December 2024.

	% of the total net proceeds	Net proceeds from the Global Offering (HK\$ in millions)	Actual utilised amount as at 31 December 2024 (HK\$ in millions)	Unutilised amount as at 31 December 2024 (HK\$ in millions)	Expected timeline of full utilization
Selective acquisitions of other property management companies	53.8	48.7	–	48.7	By 31 December 2026
Purchase of new energy vehicles	20.6	18.6	–	18.6	By 31 December 2026
Further develop smart property management systems	10.5	9.5	–	9.5	By 31 December 2026
Improve human resource management	5.1	4.6	–	4.6	By 31 December 2026
Working capital	10.0	9.1	–	9.1	By 31 December 2026
Total	<u>100.0</u>	<u>90.5</u>	<u>–</u>	<u>90.5</u>	

The net proceeds received by the Company from the Global Offering will be allocated and utilized in accordance with the purposes set out in the Prospectus. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future progress of business expansion and market conditions made by the Company. It will be subject to change based on the current and future development of market conditions.

Employees and Remuneration Policy

As at 31 December 2024, the Group had a total of 7,833 full-time employees in China (31 December 2023: 7,730). For the year ended 31 December 2024, the staff cost recognised as expenses of the Group amounted to approximately RMB527.5 million (for the year ended 31 December 2023: approximately RMB490.1 million).

The Group believes that the expertise, experience and professional development of its employees contributes to its growth. The Group proactively recruits skilled and qualified personnel with relevant working experience in property management to support the sustainable growth of business.

The remuneration package of employees of the Group includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. In addition, the Group provides training programs regularly and across management levels, in compatible with practical needs, covering key areas in its business operations, including but not limited to corporate culture and policies, technical knowledge required for certain positions, leadership skills and general knowledge about the nature of the Group's services.

As at 31 December 2024, there was no share incentive schemes adopted by the Company.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Group's development and protection of the interests of its Shareholders. The Company has adopted the relevant code provisions of the Corporate Governance Code as the basis for its corporate governance practices.

The Board is of the view that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code since the Listing Date and up to 31 December 2024. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

Compliance with the Model Code

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, are likely to possess inside information. Specific enquiries have been made by the Company to all the Directors and the Supervisors, and all of the Directors and the Supervisors have confirmed that they have complied with the Model Code since the Listing Date and up to 31 December 2024. No incident of non-compliance of the Model Code by the employees was identified by the Company since the Listing Date and up to 31 December 2024.

Purchase, Sale or Redemption of Listed Securities of the Company

As at 31 December 2024, there were no treasury shares held by the Company. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) since the Listing Date and up to 31 December 2024.

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

Subsequent Events after the Reporting Period

There were no material events undertaken by the Group subsequent to 31 December 2024 and up to the date of this announcement.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Audit Committee consists of three members, namely Mr. Lam Siu Wing, Mr. Yang Gang and Mr. Cao Yang. The chairman of the Audit Committee is Mr. Lam Siu Wing, who is an independent non-executive Director and possesses the appropriate professional qualifications.

The Audit Committee has reviewed the audited consolidated annual results of the Group for the year ended 31 December 2024 with the management and the auditor of the Company. The Audit Committee considered that the audited consolidated annual results of the Group for the year ended 31 December 2024 are in compliance with the applicable accounting standards, laws and regulations. The Audit Committee has also discussed the matters with respect to the accounting policies and practices adopted by the Company and issues in relation to internal control, risk management and financial reporting.

Scope of Work of the Auditor

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

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2024 annual general meeting of the Company (“**2024 AGM**”) will be held on Wednesday, 18 June 2025. Shareholders should refer to details regarding the 2024 AGM in the circular and the notice of meeting accompanying therewith to be published on the websites of the Stock Exchange and the Company.

For determining the entitlement of Shareholders to attend and vote at the 2024 AGM to be held on Wednesday, 18 June 2025, the register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 2025 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be eligible to attend and vote at the 2024 AGM, all transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 12 June 2025 (Hong Kong time). The record date for determining the eligibility of Shareholders who are entitled to attend and vote at the 2024 AGM is Wednesday, 18 June 2025.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This announcement is published on the websites of the Company (www.xajfwy.com) and the Stock Exchange (<http://www.hkexnews.hk>). The 2024 annual report will be made available on the websites of the Company and the Stock Exchange in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning set out below.

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, excluding Taiwan, the Macau Special Administrative Region and Hong Kong
“Company”	Xi’an Kingfar Property Services Co., Ltd.* (西安經發物業股份有限公司), a company incorporated in the People’s Republic of China with limited liability on 5 December 2000 and converted into a joint stock company with limited liability on 29 December 2020

“Corporate Governance Code”	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Global Offering”	has the same meaning as defined in the Prospectus
“Group”, “our”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed and trading on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	3 July 2024, the date on which dealings in the H Shares on the Stock Exchange first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Prospectus”	the prospectus of the Company dated 24 June 2024
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the year ended 31 December 2024
“Share(s)”	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company, comprising H Shares and Unlisted Domestic Shares
“Shareholder(s)”	holder(s) of the Share(s)

“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Unlisted Domestic Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“%”	percent

* *The English translation and/or transliteration of the names of PRC nationals, entities, enterprises, government authorities, departments, facilities, certificates, titles, laws and regulations included in this announcement is included for identification purposes only. In the event of any inconsistency between the English translation and/or transliteration and the Chinese versions, the Chinese versions shall prevail.*

By order of the Board
Xi’an Kingfar Property Services Co., Ltd.
Mr. Wu Suozheng
Chairman of the Board and Executive Director

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises: (i) Mr. Wu Suozheng, Mr. Sun Qi and Mr. Cheng Hongrang as executive Directors; (ii) Mr. Zhao Junping, Mr. Yang Gang and Ms. Li Lingxiao as non-executive Directors; and (iii) Mr. Lam Siu Wing, Dr. Jiang Li and Mr. Cao Yang as independent non-executive Directors.