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股份代号：2215.HK

Dexin Services Group Limited
德 信 服 务 集 团 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2215)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 amounted to RMB933.4 million, representing a decrease of 2.3% as compared with 2023.
- Gross profit for the year ended 31 December 2024 amounted to RMB187.6 million, representing a decrease of 17.0% as compared with 2023.
- Gross profit margin for the year ended 31 December 2024 was 20.1%, representing a decrease of 3.6% as compared with 2023.
- Profit for the year ended 31 December 2024 amounted to RMB37.7 million, representing a decrease of 39.7% as compared with 2023.
- Basic earnings per share for the year ended 31 December 2024 amounted to RMB0.042 per share, representing a decrease of 35.4% as compared with 2023.
- As of 31 December 2024, the Group had 39.1 million sq.m. of GFA under management, representing a decrease of 0.4% from 31 December 2023. The Group's contracted GFA was 42.2 million sq.m., representing a year-on-year decrease of 5.6%.
- The Board does not recommend any final dividend for the year ended 31 December 2024 (2023: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Dexin Services Group Limited (the "**Group**" or "**Dexin Services**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 ("**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023. The annual results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Revenue	*5*	**933,423**	955,580
Cost of sales		**(745,822)**	(729,541)
Gross profit		**187,601**	226,039
Other income	*6*	**3,376**	14,917
Other gains — net	*7*	**957**	50
Selling and marketing expenses		**(10,697)**	(13,773)
Administrative expenses		**(77,866)**	(130,479)
Impairment loss on trade and other receivables		**(36,219)**	(30,534)
Impairment loss on loan receivables		**(21,422)**	—
Share of result of associates		**(145)**	(813)
Share of result of a joint venture		**(7)**	—
Operating profit		**45,578**	65,407
Interest income		**9,792**	23,311
Finance costs		**(1,253)**	(1,508)
Finance income — net	*8*	**8,539**	21,803
Profit before taxation		**54,117**	87,210
Income tax expenses	*9*	**(16,443)**	(24,713)
Profit and total comprehensive income for the year	*10*	**37,674**	62,497
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**38,473**	61,767
Non-controlling interests		**(799)**	730
		37,674	62,497
Earnings per share			
— *Basic and diluted (RMB)*	*12*	**0.042**	0.065

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment and right-of-use assets		**7,501**	11,265
Intangible assets		**2,790**	3,333
Deferred income tax assets		**28,610**	14,200
Investment in associates		**353**	501
Investment in a joint venture		**493**	—
		39,747	29,299
Current assets			
Inventories		**21,734**	15,363
Trade and other receivables and prepayments	*13*	**1,077,445**	1,150,259
Cash and cash equivalents		**202,181**	229,728
		1,301,360	1,395,350
Current liabilities			
Trade and other payables	*14*	**409,237**	430,744
Contract liabilities		**148,442**	150,995
Borrowings		**7,000**	17,000
Lease liabilities		**175**	1,091
Current income tax liabilities		**76,020**	55,769
		640,874	655,599
Net current assets		**660,486**	739,751
TOTAL ASSETS LESS CURRENT LIABILITIES		**700,233**	769,050

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current liabilities			
Borrowings		**10,000**	10,000
Lease liabilities		**—**	17
		10,000	10,017
NET ASSETS		**690,233**	759,033
Capital and reserves			
Share capital	*15*	**7,564**	7,738
Reserves		**673,366**	735,028
Equity attributable to owners of the Company		**680,930**	742,766
Non-controlling interests		**9,303**	16,267
TOTAL EQUITY		**690,233**	759,033

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 GENERAL INFORMATION

Dexin Services Group Limited (the "**Company**") was incorporated in the Cayman Islands on 22 October 2020 as an exempted company with limited liability under the Companies Act. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 July 2021.

The Company is an investment holding company. The Company and its subsidiaries are collectively referred to as the "Group". The Company's ultimate holding company is Shengfu International Limited. The ultimate controlling shareholder of the Group is Mr. Hu Yiping (胡一平) ("**Mr. Hu**" or the "**Ultimate Controlling Shareholder**").

The consolidated financial statements are presented in Renminbi ("**RMB**"). RMB is the functional currency of the Company and the Company's subsidiaries.

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention.

3 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (the "**HKFRS**"); Hong Kong Accounting Standards (the "**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

4 SEGMENT INFORMATION

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

During the years ended 31 December 2024 and 2023, the Group is principally engaged in the provision of property management services, community value-added services, and value-added services to non-property owners. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The principal operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC for the year ended 31 December 2024 and 31 December 2023.

5 REVENUE

Revenue represents income from property management services, value-added services to non-property owners and community value-added services.

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers:		
Property management services	**832,370**	740,845
Value-added services to non-property owners	**38,688**	106,090
Community value-added services	**62,365**	108,645
	933,423	955,580

For the years ended 31 December 2024 and 2023, revenue from entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder contributed to 5% and 12% of the Group's revenue, respectively. Other than entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

Disaggregation of revenue from contracts with customers:

The major operating entities of the Group are domiciled in the PRC. Accordingly, all the Group's revenues were derived in the PRC for the year ended 31 December 2024 and 2023.

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
Over time	**905,856**	911,109
At a point in time	**27,567**	44,471
	933,423	955,580

Unsatisfied performance obligations

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts. The majority of the property management services contracts do not have a fixed term.

For community value-added 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 type of contracts.

6 OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants *(note)*	**2,888**	14,111
Value-added tax deductibles	**488**	806
	3,376	14,917

Note: Government grants mainly consisted of financial support funds granted by the local governments.

7 OTHER GAINS — NET

	2024	2023
	RMB'000	*RMB'000*
Exchange losses	**(1,383)**	(540)
Loss on deregister of subsidiaries	**—**	(175)
Gain on disposal of associates	**1,010**	774
Loss on disposal/written off of property, plant and equipment	**(24)**	(55)
Others gains	**1,354**	46
	957	50

8 FINANCE INCOME — NET

	2024	2023
	RMB'000	*RMB'000*
Finance income		
Interests income from loan receivables	**9,275**	23,023
Interests income from bank deposits	**517**	288
	9,792	23,311
Finance costs		
Interest expenses for borrowings	**(1,095)**	(1,399)
Interest expenses on lease liabilities	**(158)**	(109)
	(1,253)	(1,508)
	8,539	21,803

9 INCOME TAX EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Current tax — PRC Enterprise Income Tax ("**EIT**"):		
— Provision for the year	**30,853**	30,183
Deferred tax:	**(14,410)**	(5,470)
	16,443	24,713

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from British Virgin Islands income tax.

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong.

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

The general corporate income tax rate in PRC is 25%, with the exception of any preferential treatments received, such as the 15% preferential tax rate that Hangzhou Xier Technology Co., Ltd. ("**Xier Technology**", a PRC subsidiary of the Group) can enjoy as a result of its qualification as a High and New Technology Enterprise ("**HNTEs**") from December 2021 to November 2024.

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between Mainland China and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its subsidiaries in Mainland China as the Group does not have a plan to distribute these earnings from its subsidiaries in Mainland China.

10 PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	2024	2023
	RMB'000	*RMB'000*
Auditor's remuneration	**2,537**	2,454
Depreciation of property, plant and equipment and right-of-use assets	**8,826**	6,963
Amortisation of intangible assets	**750**	438
Impairment loss on trade and other receivables	**57,641**	30,534
Loss on disposal/written off of property, plant and equipment	**24**	55
Staff costs including directors' emoluments:		
Wages, salaries and bonuses	**234,487**	253,664
Social insurance expenses and housing benefits *(Note (i))*	**42,969**	40,895
Other employee benefits	**6,586**	6,727
Total staff costs	**284,042**	301,286

Note:

(i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution scheme administered and operated by the local municipal governments. The Group's PRC subsidiaries contribute funds to the scheme to fund the retirement benefits of the employees. The contributions are calculated based on a certain percentage of the employees' salaries as agreed by the local municipal governments. The Group's PRC subsidiaries and its employees are required to make monthly contributions. The only obligation of the Group with respect to the defined contribution scheme is to make the required contribution to the scheme. There is no forfeited contribution under the defined contribution scheme available to reduce the existing level of contributions in future years.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

11 DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

12 EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the profit for the year attributable to the owners of the Company of approximately RMB38,473,000 (2023: RMB61,767,000) and on the weighted average number of shares in issue during the year of approximately 920,092,615 (2023: 950,837,808).

No diluted loss per share is presented as the Company had no potential ordinary shares outstanding for the years ended 31 December 2024 and 2023.

13 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
— Related parties	**111,014**	95,968
— Third parties	**395,262**	321,142
Less: allowance for impairment of trade receivables	**(76,141)**	(38,139)
	430,135	378,971
Other receivables		
— Deposits *(Note e)*	**269,950**	271,482
— Payments on behalf of property owners *(Note (b))*	**42,447**	93,612
— Others	**48,801**	42,255
Less: allowance for impairment of other receivables	**(11,624)**	(13,407)
	349,574	393,942
Prepayments		
— Prepayments for inventories	**20,139**	19,276
— Other prepayments	**30,779**	17,611
	50,918	36,887
Loan receivables *(Notes (c)(d))*	**268,240**	340,459
Less: allowance for impairment of loan receivables	**(21,422)**	—
	246,818	340,459
	1,077,445	1,150,259

(a) Trade receivables mainly arise from property management services income to property owners and value-added services to non-property owners. Property management services income 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.

As at 31 December 2024 and 2023, the ageing analysis of the trade receivables based on recognition date of trade receivables before impairment were as follows:

	2024	2023
	RMB'000	*RMB'000*
0 to 180 days	**223,164**	199,338
181 to 365 days	**61,410**	44,145
1 to 2 years	**120,911**	99,277
2 to 3 years	**78,685**	60,268
3 to 4 years	**14,025**	10,389
Over 4 years	**8,081**	3,693
	506,276	417,110

(b) The balance represented mainly the payments on behalf of property owners in respect of utility costs of properties.

(c) As at 31 December 2024, loans to third parties with aggregate principle amount at approximately RMB8,728,000 (2023: RMB25,459,000) are unsecured, interest bearing at 10% (2023: 10%) p.a. and repayable within one year.

(d) As at 31 December 2024, loan to a third party with an aggregate principal amount of approximately RMB259,512,000 (2023:RMB315,000,000) are secured by certain car parks space, bear interest at 5% (before 1 July 2023:8%) per annum and are repayable in December 2024. As the Borrower has failed to perform its repayment obligations on time in accordance with the loan agreement, the Company has enforced its rights to realise the charged assets to protect the interest of the Company and its shareholders. As at 31 December 2024, the amount of approximately RMB259,512,000 under the loan agreement remain overdue by the Borrower.

(e) As at 31 December 2024 and 2023, the amount including deposit of RMB250,000,000 paid to Dexin China Holdings Limited ("Dexin China") for obtaining the exclusive leasing and sales rights and the cooperation rights on leasing and sales for the certain parking spaces for the term up to 31 December 2024. Due to the fact winding up order was granted to Dexin China by the High Court of Hong Kong, the deposit is still not refunded by Dexin China up to the date of this announcement.

14 TRADE AND OTHER PAYABLES

	Note	2024 *RMB'000*	2023 *RMB'000*
Trade payables	*(a)*		
— Related parties		**381**	4,891
— Third parties		**195,061**	173,660
		195,442	178,551
Other payables			
— Deposits	*(c)*	**41,541**	43,088
— Amounts temporarily received from/on behalf of property owners		**110,651**	153,482
— Amounts due to related parties	*(b)*	**2,193**	3,972
— Amounts due to non-controlling interests	*(b)*	**1,753**	1,555
— Accrued payroll		**21,057**	18,335
— Other taxes payables		**25,719**	21,390
— Other accrued expenses		**10,881**	10,371
		213,795	252,193
		409,237	430,744

Notes:

(a) The aging analysis of trade payables was as follow:

	2024 *RMB'000*	2023 *RMB'000*
Within 1 year	**185,353**	171,246
After 1 year but within 2 years	**4,378**	5,059
After 2 year but within 3 years	**3,504**	1,277
Over 3 years	**2,207**	969
	195,442	178,551

(b) Amounts due to related parties and non-controlling interests were unsecured, interest free and repayable on demand.

(c) The amounts mainly represented utility expenses collected from the property owners to be paid to related service providers and rental fee collected from leasees to be returned to the property owners.

15 SHARE CAPITAL

	Number of ordinary shares	Nominal value ordinary shares	Amount equivalent to *RMB'000*
Authorised:			
Shares of the Company with nominal value of HK$0.01 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	5,000,000,000	50,000,000	43,947
Issued and fully paid:			
At 1 January 2023	978,861,000	9,788,610	8,115
Cancellation of shares *(Notes a)*	(8,100,000)	(81,000)	(73)
Repurchases and cancellation of shares *(Notes b)*	(33,453,000)	(334,530)	(304)
At 31 December 2023	937,308,000	9,373,080	7,738
Repurchases and cancellation of shares *(Note c)*	(19,427,000)	(194,270)	(174)
At 31 December 2024	917,881,000	9,178,810	7,564

Notes:

(a) During the year ended 31 December 2022, the Group repurchased a total of 46,090,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately RMB119,908,000. As at 31 December 2022, 37,990,000 shares repurchased during the current reporting period has been cancelled. Upon the cancellation of the 37,990,000 ordinary shares repurchased, the issued share capital of the Company was reduced by the par value of approximately RMB347,000, and the premium paid on the repurchase of these cancelled shares of RMB98,415,000, including transaction costs was deducted from share premium of the Company. The remaining 8,100,000 repurchased ordinary shares were subsequently cancelled in March 2023.

(b) During the year ended 31 December 2023, the Group repurchased and cancelled a total of 33,453,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately RMB83,545,000. The issued share capital of the Company was reduced by the par value of approximately RMB304,000, and the premium paid on the repurchase of these cancelled shares of RMB83,241,000, including transaction costs was deducted from share premium of the Company.

(c) During the year ended 31 December 2024,the Group repurchased a total of 54,745,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchased these ordinary shares was approximately RMB90,800,000. As at 31 December 2024, 19,427,000 shares repurchased during the current reporting period has been cancelled. Upon the cancellation of the 19,427,000 ordinary shares repurchased, the issued share capital of the Company was reduced by the par value of approximately RMB174,000, and the premium paid on the repurchased of these cancelled shares of RMB35,102,000, including transaction costs was deducted from share premium of the Company.

16 EVENTS AFTER THE REPORTING PERIOD

On 28 March 2025, the Group entered into supplemental agreement to the loan agreement with Hangzhou Ruiyang Supply Chain Management Co., Limited ("**Hangzhou Ruiyang**") to acquire certain car parking spaces, such additional car parking spaces will be applied to offset the outstanding loan due by Hangzhou Ruiyang on dollar to dollar basis. Please refer to the Company's announcement dated 28 March 2025.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

ZHONGHUI ANDA CPA Limited has expressed qualified opinion on the audited consolidated financial statements of the Group for year ended 31 December 2024, an extract of which is as follows:

QUALIFIED OPINION

We have audited the consolidated financial statements of Dexin Services Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 ended 31 December 2024 in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance

BASIS FOR QUALIFIED OPINION

Trade receivables, other receivables and deposit in relation to Dexin China Holding Company Limited and its subsidiaries, joint ventures and associates ("Dexin China")

Included in the trade and other receivable and prepayments is deposit paid to Dexin China of RMB250,000,000 as at 31 December 2024 and 2023. Due to the fact that, on 11 June 2024, Dexin China was ordered to be wound up by The High Court of Hong Kong Special Administrative Region, there is an uncertainty in the recoverability of the deposit. There are no other satisfactory audit procedures that we could adopt to determine whether any impairment should be made.

In addition, included in the consolidated statement of financial position as at 31 December 2023 was trade receivable with gross carrying amount of approximately RMB14,465,000 and impairment loss of approximately RMB72,000 was recognised for the year ended 31 December 2023. During the year ended 31 December 2024, additional impairment loss of approximately RMB14,393,000 was recognised. Since we were unable to ascertain the recoverability of the gross trade receivable as at 31 December 2023 of approximately RMB14,465,000, we have been unable to obtain sufficient appropriate audit evidence to justify whether the relevant impairment loss on trade receivable of approximately RMB14,393,000 recognised in current year should be recognised in the prior year.

Any adjustments to these figures might have a consequential effect on the Group's financial performance for the years ended 31 December 2024 and 2023 and the Group's financial position as at 31 December 2024 and 2023.

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

VIEWS OF THE BOARD AND THE AUDIT COMMITTEE ON THE QUALIFIED OPINION

The Board and the Audit Committee noted that the consolidated financial statements of the Company for the year ended 31 December 2024 were subject to the qualified opinion (the "**Qualified Opinion**") of ZHONGHUI ANDA CPA Limited, the independent auditor of the Company (the "**Independent Auditor**"), on the basis as set out in the section headed "Basis for Qualified Opinion" in the independent auditor's report (the "**Independent Auditor's Report**") under the section "Extract of the Independent Auditor's Report".

The Board and the Audit Committee did not express different views from that of the Independent Auditor on the basis of the qualifications as the unresolved qualifications for the year ended 31 December 2024, which might have consequential effect on the Group's financial performance for the year ended 31 December 2024 and the related disclosure thereof in the consolidated financial statements.

The Audit Committee had critically reviewed the facts and circumstances leading to and fully understood the reasons leading to the qualified opinion, in particular, the liquidation status of Dexin China since June 2024, which is beyond control of the Company. The management of the Company has also assessed the expected credit loss of the outstanding trade receivables, other receivables and deposit in relation to Dexin China based on the latest status.

In connection with the qualified opinion for the deposit paid to Dexin China of RMB250,000,000, the Group did not make specific impairment regarding deposit in relation to Dexin China due to (i) the ongoing liquidation status and the Directors cannot predict the timing and outcome of the actions initiated by creditors; (ii) as at the date of this annual results announcement, there is no material progress on the repayment schedule by Dexin China and its subsidiaries; and (iii) the Company has consulted legal advisors regarding the potential debt recovery procedures based on the current circumstances. Based on the foregoing, the management of the Company considered the timing and possibility of the recoverability of the outstanding deposit in relation to Dexin China is uncertain and no impairment has been made in this regard. The Audit Committee has reviewed the matter and discussed the same with the Independent Auditors and the Board. Taking into account of the latest liquidation status and the temporary suspension of trading in the shares of Dexin China, the Audit Committee does not disagree with the basis of the qualified opinion of the Independent Auditors in this regard.

Based on publicly available information, Dexin China was ordered to be wound up by the High Court of Hong Kong, and the trading of its shares on the Stock Exchange has been suspended since 11 June 2024. The management of the Company is closely monitoring on the resumption progress of Dexin China, and where necessary, the Company would consider initiating legal proceedings to recover the deposit with the aim to address the concerns raised in the qualification.

In connection with the qualified opinion for the trade and other receivable from Dexin China as at 31 December 2023, the Independent Auditor was unable to ascertain their recoverability due to the lack of evidence to support the financial ability of Dexin China. During the year ended 31 December 2024, the Group has adopted a prudent account receivable management. Through close following up on payment status of the long-overdue trade receivables, certain outstanding trade and other receivables were settled. In addition, the Group had provided expected credit loss for the outstanding balance as at 31 December 2024. As sufficient expected credit loss had been made, the Board is of the view that the qualified opinion is resolved, except for the qualified opinion regarding the uncertainty in whether the expected credit loss of approximately RMB14,393,000 recognised in current year should be recognised in prior year, which expected not to be carried forward to the year ending 31 December 2025.

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board, I hereby present the results of the Group for the twelve months ended 31 December 2024.

Affected by a multitude of factors such as the adjustment in the real estate industry, the property service industry is currently undergoing profound turbulence. Despite numerous challenges, looking back, the journey remains remarkable. In 2024, Dexin Services Group took "stable operation" as its strategic anchor and braved the headwind towards the transformation of "deep value cultivation".

Seeking stable progress with focus on high-quality development

The Group adhered to strategic development determination and, in line with its operational direction set at the beginning of the year, had advanced structural adjustment to its managed projects in an orderly manner, and proactively withdrew from some low-efficiency operational projects. Amid a complex and ever-changing external environment, the Group continued to optimize its operational quality and sustained the layout of business gross profit margin above the industry average. The Group's strong operational resilience has been widely recognized, and was accoladed the title of "TOP 100 Property Management Companies in China" for 11th consecutive year, having moved up to the 20th place. The Group had always committed to independent market expansion and maintained the overall stability in its management scale. During the Reporting Period, the Group took over high-quality second-hand residential projects such as Hangzhou Qunxian Mansion, forming a successful experience of establishing reputation through benchmark projects and inventory expansion through deep cultivation. In the non-residential sector that it focused on, the Group created a city service standard featuring "space operation + industrial empowerment" at Quzhou CBD Science and Education Industrial Park in Zhejiang by establishing a cooperation model with Qujiang Communications Investment (衢江交投) to deepen the integration with local industry leaders and promote collaborative innovation.

Strengthening foundation to enhance management efficiency and stabilize profit

The Group attached great importance to the development and improvement of its internal control and compliance systems, and had fulfilled its obligations for timely disclosure. With focus on risk prevention and compliance management and supervision, the Group conducted routine audit and internal control inspections throughout the year. Amid the industry's shift toward lean adjustment, the Group has implemented multiple measures to enhance management quality and efficiency. The Group proactively pursued a flatter and more efficient management structure, vigorously promoted project group management to achieve manpower, finance, materials and professional resources sharing among neighbouring projects, so as to improve on-site service response efficiency.

Focusing on refined management and control, each business unit conducted daily operation and management in line with the comprehensive budget targets, particularly in the stringent implementation of cash flow planning management. The Group's independently-developed information management tools facilitated the integration of business and finance, which provided real-time insights of the operational health level through dashboard displays, and achieved a three-tiered penetrative control featuring "strategic focus at the decision-making level, dynamic regulation by city companies, precise execution at the grassroots level", driving improvement in both decision-making efficiency and execution effectiveness.

With quality as the foundation to define service value benchmark

Service quality is the foundation of our existence. The Group actively responded to the Ministry of Housing and Urban-Rural Development's call for "good houses, good services", continued to advance the construction of red properties, and received the Five-Star Property Service Enterprise Certification in Hangzhou. The "Companion with Passion (知己送春風)" quality improvement campaign conducted throughout the year helped to create a warm and vibrant community space through measures such as homecoming route optimization, emergency assistance from command centers, and seasonal landscape maintenance. The Group's management performance has been remarkable. Dexin Zhenyuan and Yin'aowan were recognized as excellent residential communities in Hangzhou in terms of property management, Lizhou Yipin was awarded the title of beautiful home community in Jinhua, and Huzhou Chunfengli and Lishui Yuanhu Huayuan were awarded the title of red property project in Zhejiang Province.

The Group has also focused on service product innovation in the commercial and office sectors. In 2024, the highly popular game "Black Myth: Wukong" was born in the Hangzhou Xiangshan Art Community, and we had the privilege of creating a new service model for digital cultural and creative parks for Game Science's Hangzhou headquarters and other cultural and artistic enterprises, and provided customized services such as smart security and exhibition support. In the urban service sector, the Liangzhu Gateway Park project under our management was rated as the "National 3A-Level Tourist Attraction". In particular, for the 60,000 square meters of space under the bridges, we pioneered an innovative "sports venues + staggered parking" smart operation model, achieving improvement in both ecological benefits and urban functionality.

Driven by innovation to expand service ecosystems' boundaries

The Group has centered its strategy on extending the service industry chain to open up new avenues for quality-driven innovation. Our high-end commercial and office service brand "Shipu Lianhang" (世普聯行) actively cultivated professional services in the IFM sector, and integrated energy-saving technologies to expand into a low-carbon service ecosystem. By deploying distributed photovoltaic applications in commercial office projects, the Group has established a full-cycle low-carbon service system encompassing "diagnosis — re-engineering — operation", driving the transformation of energy structure in commercial office buildings. A benchmark example is the 220,000-square-meter TOD project, Hangzhou Dexin Center Complex, which has undergone building-integrated photovoltaic transformation. Through intelligent microgrid, the project achieved the self-use and energy storage optimization of photovoltaic power generation, significantly reduced the peak electricity load of the building. In the living services sector, the Group has enhanced the capabilities of our confidant life housekeeper and linked with household needs, offering customized services such as housekeeping, home appliance cleaning, and private garden maintenance, creating a closed-loop service model of "homeowner needs — housekeeper dispatch — home services".

Future prospects

Greatness is often achieved with a focus on details

Guided by the government work report to accelerate the development of new quality productivity, the property services industry faces unprecedented opportunities and challenges. In 2025, "Hangzhou Tech Six Little Dragons" became popular. As a local property service enterprise, we clearly feel that the new era is now roaring in and increasingly recognize that future industry competition will depend on the level of technological innovation. Leveraging the developmental momentum and resource opportunities of the city, we will actively embrace ourselves with the wave of artificial intelligence transformation, explore the practical application of intelligent robots in service scenarios and incubate new products of "AI technology + service scenarios". At the same time, the Group will vigorously promote management reform and innovation, such as using AI big models to create decision-making support tools to transition from experience-driven to data-driven decision-making paradigms, pushing ahead with the automation of internal management processes, enhance organizational learning capabilities and facilitate knowledge accumulation, ultimately empowering human resources efficiency improvement. Every industry upheaval reshapes the in-place value framework and anchors. We firmly believe that only by staying true to the essence of service and embracing changes and innovation can we move forward steadily in the wave of the changing times.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Business model of the Group

The Group has three business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services, which constitute a comprehensive service product for our clients, covering the entire property management value chain.

- **Property management services.** The Group provides property developers, property owners and residents with a wide range of property management services. The property management services of the Group primarily comprise (i) security services; (ii) cleaning services; (iii) gardening services; and (iv) common area facility repair and maintenance services for residential properties and non-residential properties.

- **Value-added services to non-property owners.** The Group provides a full range of property-related business solutions to non-property owners, which primarily include property developers. The value-added services to non-property owners of the Group primarily comprise (i) the provision of sales office management services; (ii) the provision of preliminary planning and design consultancy services; (iii) the provision of property inspection and repair services; and (iv) the provision of commercial consulting services.

- **Community value-added services.** The Group also offers various community value-added services to property owners and residents, including (i) smart community solutions; (ii) property sales and assistance services; (iii) community resources value-added services; (iv) clubhouse services; (v) home decoration services; and (vi) community retail and home services.

We believe that the property management services business line is the foundation of the Group to generate revenue, expand business scale and increase our customer base for community value-added services to property owners and residents. The Group's value-added services to non-property owners facilitate its early access to property development projects and the establishment and development of business relationships with property developers, thereby enhancing the Group's competitiveness and securing contracts for property management services. The Group's community value-added services business line is conducive to strengthen the relationship between the Group and customers and improve customer satisfaction and loyalty. We believe that the three business lines of the Group will continue helping the Group to gain market share and expand its business scope in the PRC.

PROPERTY MANAGEMENT SERVICES

In 2024, the Group adhered to the strategic vision of being a service provider of future urban life relationship, achieved steady growth in the GFA under management and constantly expanded the GFA under its management. As at the end of 2024, we had a total GFA under management of approximately 39.1 million sq.m., representing a decrease of approximately 0.1 million sq.m. as compared with approximately 39.2 million sq.m. in 2023. Such decrease was mainly attributable to the slight reduction in the GFA under management by the Company as a result of intensified market competition.

The following table sets forth our property management contracted GFA and GFA under management as of the years indicated:

	For the year ended 31 December 2024				For the year ended 31 December 2023			
	Contracted projects		**Projects under management**		Contracted projects		Projects under management	
	Number of projects	**GFA** *(sq.m. '000)*	**Number of projects**	**GFA** *(sq.m. '000)*	Number of projects	GFA *(sq.m. '000)*	Number of projects	GFA *(sq.m. '000)*
As of the beginning of the year	**333**	**44,702**	**297**	**39,243**	317	48,698	255	34,543
Newly contracted	**23**	**2,913**	**19**	**2,158**	55	5,965	38	4,249
Reserve conversion	**0**	**0**	**18**	**3,080**	0	0	41	5,555
Acquisition	**0**	**0**	**0**	**0**	0	0	0	0
Termination	**(53)**	**(5,462)**	**(51)**	**(5,392)**	(39)	(9,961)	(37)	(5,104)
As of the end of the year	**303**	**42,153**	**283**	**39,089**	333	44,702	297	39,243

Approximately half of our revenue from property management services was generated from the services provided to properties developed by independent third-party property developers. As of 31 December 2024, we had 167 properties under our management that were developed by independent third-party property developers with a total GFA under management of approximately 20.6 million sq.m.

The following table sets forth a breakdown of our total GFA under management by property type as of the dates indicated:

	As of 31 December					
	2024			2023		
	GFA	**Revenue**	**Percentage**	GFA	Revenue	Percentage
	sq.m. '000	***RMB'000***		*sq.m. '000*	*RMB'000*	
Properties developed by Dexin China	**13,916**	**300,481**	**36.1%**	13,163	259,028	35.0%
Jointly developed properties	**4,562**	**124,732**	**15.0%**	4,320	104,466	14.1%
Properties developed by independent third-parties	**20,611**	**407,157**	**48.9%**	21,760	377,351	50.9%
Total	**39,089**	**832,370**	**100.0%**	39,243	740,845	100.0%

Our Geographical Presence

Zhejiang Province and the Yangtze River Delta Region are among the most economically developed regions in the PRC, with higher urbanisation rates and resident disposable income. Most of our service projects are concentrated in cities with higher competitive pricing levels. We continue to expand into first-tier and second-tier cities nationwide, and continue to increase the GFA under management and income from core cities outside Zhejiang Province and the Yangtze River Delta Region, further intensifying our competitive strength in the property industry. For the year ended 31 December 2024, our geographic presence has extended to 39 cities in China.

The following table sets forth our total GFA under management by region as of the dates indicated:

	As of 31 December					
	2024			2023		
	GFA	**Revenue**	**Percentage**	GFA	Revenue	Percentage
	sq.m. '000	***RMB'000***		*sq.m. '000*	*RMB'000*	
Zhejiang Province	**25,969**	**613,462**	**73.7%**	25,183	541,394	73.1%
Yangtze River Delta Region (excluding Zhejiang Province)	**7,920**	**137,790**	**16.6%**	8,575	126,147	17.0%
Other regions	**5,200**	**81,118**	**9.7%**	5,485	73,304	9.9%
Total	**39,089**	**832,370**	**100.0%**	39,243	740,845	100.0%

Portfolio of Properties under Management

While the majority of properties under our management are primarily residential properties, we continuously sought to provide property management services to non-residential properties in the Reporting Period. The non-residential properties under our management are diverse, including commercial complexes, office buildings, schools, hospitals, industrial parks and municipal facilities. We believe that by accumulating our experience and recognition for our quality property management services to both residential and non-residential properties, we will be able to continue to diversify our portfolio of properties and further enlarge our customer base.

The following table sets forth our total GFA under management as of the dates indicated:

	As of 31 December					
	2024			2023		
	GFA	**Revenue**	**Percentage**	GFA	Revenue	Percentage
	sq.m. '000	***RMB'000***		*sq.m. '000*	*RMB'000*	
Residential properties	**31,302**	**577,455**	**69.4%**	29,752	483,625	65.3%
Non-residential properties	**7,787**	**254,915**	**30.6%**	9,491	257,220	34.7%
Total	**39,089**	**832,370**	**100.0%**	39,243	740,845	100.0%

Value-added Services to Non-property Owners

For the year ended 31 December 2024, revenue from value-added services to non-property owners amounted to RMB38.7 million, decreasing by 63.5% compared to that for the year ended 31 December 2023. This was attributable to the ongoing negative sentiments of the real estate industry. Revenue from relevant value-added services to non-property owners decreased notably as demand for these services declined.

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Revenue	**Percentage**	Revenue	Percentage
	RMB'000	***%***	*RMB'000*	*%*
Sales office management services	**22,692**	**58.7%**	61,465	57.9%
Preliminary planning and design consultancy services	**11,890**	**30.7%**	37,614	35.5%
Property inspection and repair services	**3,136**	**8.1%**	6,917	6.5%
Commercial consulting services	**970**	**2.5%**	94	0.1%
	38,688	**100.0%**	106,090	100.0%

Community Value-added Services

In terms of community value-added services, our customers mainly include property owners, residents and property developers, and we offer a wide variety of community value-added services to make the living more convenient and to foster community attachment and sense of belonging. These services primarily include (i) smart community solutions; (ii) property sales and assistance services; (iii) community resources value-added services; (iv) clubhouse services; (v) home decoration services; and (vi) community retail and home services. During the Reporting Period, revenue from community value-added services was RMB62.4 million, representing a decrease of 42.6% as compared with RMB108.6 million for 2023.

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Revenue	**Percentage**	Revenue	Percentage
	RMB'000	***%***	*RMB'000*	*%*
Smart community solutions	**11,419**	**18.3%**	11,080	10.2%
Property sales and assistance services	**952**	**1.5%**	9,675	8.9%
Community resources value-added services	**26,468**	**42.5%**	31,641	29.1%
Clubhouse services	**1,398**	**2.2%**	2,338	2.2%
Home decoration services	**1,925**	**3.1%**	25,131	23.1%
Community retail and home services	**20,203**	**32.4%**	28,780	26.5%
	62,365	**100.0%**	108,645	100.0%

Smart community solutions are those provided to residential and non-residential property developers by us through customised software meeting their specific requirements for property management. For the year ended 31 December 2024, revenue from smart community solutions amounted to RMB11.4 million, increasing by RMB0.3 million compared to RMB11.1 million for the year ended 31 December 2023, and the overall business maintained a stable development.

Property sales and assistance services include primarily the provision of property sales and assistance services to property developers and owners, assisting property developers to market real estate properties to owners and residents living in properties under our management. Revenue from property services decreased as the size of market transactions contracted as a result of the continuing impact of the real estate industry environment during the year, while our car park sales service was also affected. For the year ended 31

December 2024, revenue from property sales and assistance services amounted to RMB1.0 million, decreasing by RMB8.7 million compared to RMB9.7 million for the year ended 31 December 2023.

Community resources value-added services include primarily our provision of certain value-added services to owners, assisting owners to lease out public areas and public facilities to third parties. For the year ended 31 December 2024, revenue from community resources value-added services amounted to RMB26.5 million, decreasing by RMB5.1 million compared to RMB31.6 million for the year ended 31 December 2023.

Home decoration services refer to customised services provided by us from interior design to the procurement and installation of furniture and appliances. We initially provide decoration-related services and also assist third-party decoration service providers to promote their services to the business. For the year ended 31 December 2024, revenue from home decoration services amounted RMB1.9 million, representing a decrease of 92.3% from RMB25.1 million for the year ended 31 December 2023, which was mainly due to a sharp decrease in revenue from home decoration services resulting from the continued downturn in the real estate market with a significant decline in delivered projects.

Community retail and home service are mainly catered to the ever-changing demands of owners and residents, as the Group provides services such as cleaning, repair and maintenance and community business to owners and residents through its subsidiary Hangzhou Julin Lifestyle Services Co., Ltd. For the year ended 31 December 2024, revenue from community retail and home service amounted to RMB20.2 million, decreasing by RMB8.6 million compared to RMB28.8 million for the year ended 31 December 2023.

FINANCIAL REVIEW

Revenue

For the Reporting Period, revenue of the Group amounted to RMB933.4 million (2023: RMB955.6 million), representing a decrease of 2.3% as compared with that of 2023. Such decrease in revenue was primarily attributable to the decrease in the Group's business revenue from the value-added services to non-property owners and community value-added services.

The following table sets forth a breakdown of our revenue by business line during the years indicated, both in absolute amount and as a percentage of total revenue:

	For the year ended 31 December			
	2024		2023	
	RMB'000	***Percentage***	*RMB'000*	*Percentage*
Property management services	**832,370**	**89.2%**	740,845	77.5%
Value-added services to non-property owners	**38,688**	**4.1%**	106,090	11.1%
Community value-added services	**62,365**	**6.7%**	108,645	11.4%
Total	**933,423**	**100.0%**	955,580	100.0%

Property management services remained the largest source of revenue for the Group. For the year ended 31 December 2024, revenue from property management services reached RMB832.4 million, representing an increase of RMB91.5 million as compared with 2023. The growth in revenue was attributable to the fact that the Group was committed to expanding basic services for customers with deepened focus on its development strategy for Zhejiang Province.

Cost of Sales

The cost of sales of the Group is primarily comprised of (i) staff costs; (ii) security, cleaning and greening costs; and (iii) utilities and maintenance costs. For the year ended 31 December 2024, the cost of sales of the Group was RMB745.8 million, representing an increase of RMB16.28 million as compared with 2023. This was attributable to the Group's efforts to further increase its market share, service quality, and growth in property management services.

Gross Profit and Gross Profit Margin

Based on the abovementioned factors, the gross profit of the Group was RMB187.6 million for the Reporting Period, representing a decrease of RMB38.4 million as compared with RMB226.0 million in 2023. The gross profit margin decreased from 23.7% for 2023 to 20.1% in the Reporting Period.

The following table sets forth our gross profit margin by business segment for the periods:

	For the year ended 31 December 2024	2023	Change
Property management services	**18.2%**	23.4%	−5.2%
Value-added services to non-property owners	**23.5%**	16.6%	6.9%
Community value-added services	**43.9%**	32.3%	11.6%
Total	**20.1%**	23.7%	−3.6%

The Group's gross profit margin for 2024 decreased by 3.6%, affected primarily by a decline in the domestic real estate industry environment, the average property management fee rate for property management service, geographical concentration of GFA under management and cost control ability.

The gross profit margin of value-added services to non-property owners increased from 16.6% for the previous year to 23.5% for the year under review.

The gross profit margin of community value-added services increased from 32.3% for the previous year to 43.9% for the year under review, which was mainly due to the reduction of redundant labor costs with the Company's streamlined organizational structure.

Selling and marketing expenses

The selling and marketing expenses of the Group decreased from RMB13.8 million for 2023 to RMB10.7 million for the Reporting Period, representing a decrease of 22.3%.

Administrative expenses

The administrative expenses of the Group decreased by RMB52.6 million from RMB130.5 million for 2023 to RMB77.9 million for the Reporting Period, which was primarily attributable to the realignment of our organisation framework and optimisation of staff allocation to achieve cost reduction.

Impairment losses on trade and other receivables

The impairment losses on trade and other receivables changed from RMB30.5 million for 2023 to RMB36.2 million for the Reporting Period. The increase in impairment reflected primarily a higher amount of impairment provision for the amount receivable from related parties made by the Group for prudence purposes as compared with the corresponding period of last year in view of changing credit risks owing to the ongoing decline of the property industry during the year.

Impairment losses on loan receivables

The impairment losses on loan receivables changed from 0 to RMB21.4 million for the Reporting Period. The increase in impairment was due to the borrower has failure to perform its repayment obligations on time in accordance with the loan agreement. For further details, please refer to the announcement of the Company dated 28 March 2025.

Other income

Other income decreased from RMB15.0 million for 2023 to RMB3.4 million for the Reporting Period. Such decrease was primarily due to the decline in income from government grants we received during the year.

Other net gains

During the Reporting Period, the Group recorded other net gains of RMB1.0 million (2023: RMB0.05 million). Such increase was mainly due to the effect of foreign exchange difference during the Reporting Period.

Finance income-net

The finance income-net of the Group decreased from RMB21.8 million for 2023 to RMB8.5 million for the Reporting Period, representing a decrease of RMB13.3 million. Such decrease was primarily attributable to interest waivers on loans receivable provided to third parties.

Income tax expenses

The income tax expenses of the Group decreased from RMB24.7 million for 2023 to RMB16.4 million for the Reporting Period, representing a decrease of 33.5%.

Profit for the year

Based on the reasons above, the net profit of the Group during the Reporting Period was RMB37.7 million, representing a decrease of 39.7% as compared with RMB62.5 million in 2023. Net profit margin was 4.0%, representing a decrease of 2.5% as compared with that of 2023.

The basic and diluted earnings per share of the Company was RMB0.042 per share.

Trade and other receivables and prepayments

As of 31 December 2024, trade and other receivables and prepayments amounted to RMB1,077.4 million, representing a decrease of RMB72.8 million compared to RMB1,150.3 million as of 31 December 2023.

As of 31 December 2024, trade receivables amounted to RMB430.1 million, increasing by RMB51.2 million compared to RMB379.0 million as of 31 December 2023. Other receivables amounted to RMB349.6 million, decreasing by RMB44.4 million compared to RMB393.9 million as of 31 December 2023, which was mainly due to the downsizing of the scale of the Group's management operations and increase in allowance for impairment of trade receivables.

Trade and other payables

Trade payables include mainly amounts payable for commodities or services in the ordinary course of business, including procurement of external labour services, materials and energy. Other payables include amounts received on behalf of other parties on a temporary basis, deposits received and other expenses payables. As of 31 December 2024, the Group's trade and other payables amounted to RMB409.2 million, decreasing by 5.0% compared to RMB430.7 million as of 31 December 2023, which was primarily attributable to the reduction in the scale of operations resulting from the decrease in GFA under management during the reporting period.

LIQUIDITY AND CAPITAL RESOURCES

The Group pursues a prudent treasury management policy, and actively manages its liquidity position to cope with any demands for capital for daily operation and future development. Also, the Group actively reviews and manages its capital structure on a regular basis to maintain the advantages and security of a strong capital position and adjust the capital structure in response to changes in economic conditions.

The Group's principal sources of liquidity come from the proceeds from our business operations. The majority of the Group's cash and cash equivalents are denominated in RMB, which amounted to RMB202.2 million as at 31 December 2024, representing a decrease of 12.0% from the cash and cash equivalents of RMB229.7 million as of 31 December 2023.

As of 31 December 2024, the Group's current ratio (current assets divided by current liabilities) was 2.0 times (31 December 2023: 2.1 times).

As of 31 December 2024, the Group's borrowings amounted to RMB17.0 million (31 December 2023: RMB27.0 million) and the gearing ratio (total borrowings divided by total equity) was 0.02 (31 December 2023: 0.04).

Foreign exchange risk

Substantially all of the Group's revenues and expenditures are denominated in RMB. As of 31 December 2024, the Group has not entered into any hedging transaction. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS

As of 31 December 2024, the Group did not have any capital commitments contracted for but not provided for.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As of 31 December 2024, the Company, its subsidiaries and associates did not pay for any financial guarantees, provide guarantees or mortgage for loans, nor have other significant contingent liabilities.

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

During the Reporting Period, the Group entered into an agreement for the acquisition of 24.0% equity interest in Hangzhou Xiangyu Property Management Services Co., Ltd. from Deqing Xuchi Enterprise Management Partnership (Limited Partnership) (德清栩馳企業管理合夥企業 (有限合夥)) at a consideration of RMB7.37 million, and for the acquisition of 8.0% equity interest in Hangzhou Xiangyu Property Management Services Co., Ltd. from Deqing Yuting Enterprise Management Partnership (Limited Partnership) (德清寓庭企業管理合夥企業 (有限合夥)) at a consideration of RMB2.46 million. As at 31 December 2024, the transaction has not been fully completed.

During the Reporting Period, Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司) (an indirect wholly-owned subsidiary of the Company) transferred the 49% equity interest it held in Hangzhou Xiaoshan Qicai Shengquan Property Service Co., Ltd. (杭州蕭山七彩盛全物業服務有限公司) to Hangzhou Qicai Future Community Property Co., Ltd. (杭州七彩未來社區物業有限公司) at a consideration of RMB1.2 million. The transaction was completed on 31 December 2024.

On 24 August 2023, Hangzhou Junde Commercial Operations Management Co., Ltd. (杭州駿德商業運營管理有限公司) (an indirect wholly-owned subsidiary of the Company) entered into four Underground Parking Space Use Rights Transfer Agreements with (i) Hangzhou Desheng Real Estate Co., Ltd. (杭州德昇置業有限公司) at a consideration of RMB52,825,000, (iii) Hangzhou Deyin Real Estate Co., Ltd. (杭州德銀置業有限公司) at a consideration of RMB21,450,000, (iii) Hangzhou Kaishen Enterprise Management Co., Ltd. (杭州凱燊企業管理有限公司) (an indirect wholly-owned subsidiary of Dexin China) at a consideration of RMB17,160,000, and (iv) Hangzhou Konggang Real Estate Co., Ltd. (杭州空港置業有限公司) at a consideration of RMB120,000,000, respectively (collectively, the "**Acquisition of the Target Parking Spaces**"). The transactions contemplated under the Underground Parking Space Use Rights Transfer Agreements were approved at the extraordinary general meeting on 13 March 2024. As at the date of this announcement, the transactions have not been completed. For further details, please refer to the announcements of the Company dated 24 August 2023, 23 February 2024 and 13 March 2024.

On 24 August 2023, Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司) (Shengquan Property) (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with Deqing Moganshan Dexin Movie City Development Co., Ltd. (德清莫干山德信影視城開發有限公司) (Dexin Movie City) and Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司) (Deqing Moganshan Ruijing), pursuant to which, Shengquan Property has conditionally agreed to acquire and Dexin Movie City has conditionally agreed to sell the 100% equity interest in Deqing Moganshan Ruijing at a consideration of RMB90,000,000 (the "**Equity Acquisition**"). The principal asset of Deqing Moganshan Ruijing is Moganshan Yungu Dexin New Century Mingting Hotel (莫干山雲谷德信開元名庭酒店) located at No. 66 Sanmo Line, Moganshan Town, Deqing County, Huzhou, Zhejiang Province, the PRC. Upon Equity Acquisition completion, Deqing Moganshan Ruijing will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Company. The transactions contemplated under the Equity Transfer Agreement were approved at the extraordinary general meeting of the Company on 13 March 2024. As at the date of this announcement, the transactions have not been completed.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group intends to utilise part of the net proceeds raised from the listing to acquire or invest in other property management companies as part of our strategies to expand our business scale and market share. As of the date of this announcement, the Group did not have any other future plans for material investments or acquisition of capital assets.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

On 28 March 2025, the Company entered into the Supplemental Agreement to the Loan Agreement with Hangzhou Ruiyang Supply Chain Management Co., Ltd.* (杭州瑞揚供應鏈管理有限公司) ("**Hangzhou Ruiyang**"), to acquire the rights-of-use of certain additional car parking spaces to offset the outstanding loan under the Loan Agreement dated 16 December 2022. Please refer to the announcement of the Company dated 28 March 2025 for further details.

Save as disclosed herein, there are no significant events of the Group subsequent to 31 December 2024 and up to the date of this announcement.

EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2024, the total number of employees of the Group remained at 2,465 (31 December 2023: 2,942 employees), of which, the number of male and female employees were 1,262 and 1,203, accounting for 51.2% and 48.8% respectively. In 2024, namely the period from 1 January to 31 December 2024, the total cost paid by the Group to its employees amounted to RMB284.0 million.

In 2024, the Group underwent significant organizational reform to further optimise our organizational structure by implementing flat management and collective management models for projects, which reduced management layers and improved decision-making efficiency and speed of information flow. This reform effectively improved the flexibility and response speed of the organization, further achieving quality and efficiency improvement. This reform simultaneously promoted the upgrading of digital management tools by deploying intelligent collaborative platforms, which significantly improved the efficiency of process approval and injected new impetus into improving quality and efficiency. Under the new management model, communication and collaboration among employees have become smoother, and team collaboration efficiency has significantly improved, providing stronger support for the business development of the Group.

The Group's remuneration system takes into account various key factors, such as local salary standards, industry salary dynamics, economic inflation, operational efficiency the Company, and performance of individual employee, with the aim of building a scientific and reasonable remuneration structure. We are committed to providing employees with competitive salary packages that match the market standard, ensuring that we maintain our advantage in competing talent recruitment. In accordance with the current laws and regulations in the PRC, we provide comprehensive social insurance coverage for employees in the Mainland, including medical, work-related injury, pension, maternity, unemployment insurance, and housing provident fund, to protect the rights and interests of employees in all aspects.

The Board of the Group will regularly conduct systematic reviews of the remuneration policy to ensure that it evolves simultaneously with the market environment and business development, covering adjustments of remuneration standard and optimisation of compensation structure. In addition, we have implemented a regular performance evaluation system to comprehensively evaluate employees' work performance on an annual/quarterly/monthly basis. The evaluation results will be directly related to compensation adjustments, job promotions, and annual awards and honors of employees.

In terms of employee training and development, the Group regards employees as the core driving force for sustainable development. Adhering to the talent development concept of "specialization, professionalization, and youthfulness", the Company has established a clear promotion mechanism, vertical rank management system, and Y-shaped career development channel. Through promotion, job rotation, and secondment, the Company provides diversified career development platforms for employees. Meanwhile, with the goal of focusing on strategic orientation, cultivating core talents, and empowering professionalism, the Company established its training systems including induction training system for new employees, on-the-job promotion training system, training system for reserve talent pool, and training system for occupational skills. Common forms of training include online live streaming, offline teaching, hybrid learning, mentor-based system, and workshops. Training activities include on-site practice, scenario simulation, case analysis, expansion activities, and benchmarking study. We provide efficient resources and ample opportunities for employees' learning and development through flexible and diverse methods, as well as comprehensive and rich content.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company have been listed on the Main Board of The Stock Exchange since 15 July 2021 (the "**Listing Date**"). The net proceeds amounted to HK$763.5 million. Reference is made to the announcements of the Company dated 16 December 2022, 22 March 2023 and 14 January 2025 (the "**Announcements**"). The prospectus (the "**Prospectus**") of the Company dated 29 June 2021 originally indicated that approximately 65.0% of the net proceeds would be used for the expansion of business scale and increase in market share through multiple channels, and the net proceeds that would be applied for this purpose amounted to approximately HK$496.0 million. The unutilised portion of the net proceeds originally intended for such purpose in the amount of HK$426.6 million is not required for immediate use by the Group at that moment.

On 16 December 2022, Shanghai Xuquan Trading Co., Ltd.* (上海栩全商貿有限公司), an indirect wholly-owned subsidiary of the Company (the "**Lender**" and as the lender), entered into a loan agreement with Hangzhou Ruiyang Supply Chain Management Co., Ltd.* (杭州瑞揚供應鏈管理有限公司), a business partner of the Company and an independent third party (the "**Borrower**" or "**Hangzhou Ruiyang**" and as the borrower). Pursuant to the loan agreement, the Lender has agreed to advance to the Borrower a loan in the principal amount of up to RMB315 million (the "**Loan**"), bearing an interest rate of 8% per annum and secured by the Charged Assets (defined as below). The loans to be provided to the Borrower by the Lender will be financed by the net proceeds not utilized by the Company since 2021. Having considered the commercial benefits to the Group in deploying the unutilised net proceeds as a loan secured by the Charged Assets (the "**Charged Assets**"), which comprise car parking spaces, located at Dexin Airport City, Xiaoshan District, Hangzhou City, Zhejiang Province, the PRC, which have an appraised market value of approximately RMB630 million as valued by the property valuer; this allows the Group to improve the efficiency and the effectiveness of the Group's temporarily idle funds with better investment returns.

For further information, please refer to the announcements of the Company dated 16 December 2022, 22 March 2023, 14 January 2025 and 28 March 2025.

The table below sets out the allocation of the net proceeds before the Announcements, the change in use and the revised position after the change in use:

Usages	**Planned use of net proceeds as disclosed in the Prospectus** *HKD million*	**Revised allocation of unutilised net proceeds at 16 December 2022** *HKD million*	**Unutilised net proceeds at 1 January 2024** *HKD million*	**Utilised net proceeds during the Reporting Period** *HKD million*	**Unutilised net proceeds as at 31 December 2024** *HKD million*	**Expected timetable of the proceeds to be utilised** *(Note)*
1. Expand our business scale and improve market share through multiple channels	496.0	83.7	83.7	1.3	82.4	By June 2026
2. Diversify and expand our service offerings	76.4	7.1	0.0	0.0	0.0	Nil
3. Invest in information technologies and our internal management system(s) to improve service quality and customer experience	76.4	70.2	60.5	4.9	55.6	By June 2026
4. Improve human resource management and enhance corporate culture	38.3	12.7	7.8	7.8	0.0	Nil
5. Working capital and other general corporate purposes	76.4	7.5	0.0	0.0	0.0	Nil
6. Provide loans to borrowers	N/A	342.9	0.0	0.0	0.0	Nil
	763.5	524.1	152.0	14.0	138.0	

Note: The expected timeline for utilising the unutilised funds is based on the best estimation of the future market condition made by the Group. It may be subject to change based on the current and future development of market conditions.

Update on the expected timetable for the use of the net proceeds from the Global Offering

The Board wishes to inform the shareholders that the net proceeds from the Global Offering which were and remained unutilised as at 31 December 2024 were approximately HK$138.0 million (the "**Unutilised Net Proceeds**"). Having considered the reasons set out in the paragraph headed "Reasons for the updated expected timetable for the use of the net proceeds from the Global Offering" below, the Board has resolved to extend the expected deadline for the use of the Unutilised Net Proceeds from 31 December 2024 to 30 June 2026. The unutilised net proceeds have been deposited into interest-bearing accounts with licensed banks.

Reasons for the updated expected timetable for the use of the net proceeds from the Global Offering

The intended use of the net proceeds from the Global Offering as disclosed in the Prospectus and Announcements was based on the best estimation made by the Board in relation to the then future market conditions and business plans as at the latest practicable date of the Prospectus and Announcements. In this regards, based on the Board's continuing evaluation of the trends in the property management industry and the global and local economic conditions prevailing at the time, the actual utilisation of the net proceeds from the Global Offering proceeded more slowly than expected. The delay was mainly caused by the cyclic fluctuation in the real estate industry and unprecedented challenges in the property management industry which has resulted in the slowdown of the Group's business expansion as a whole.

In particular, regarding the net proceeds allocated to expand our business scale and improve market share through multiple channels, although the Company strived to enlarge market presence that are in line with the Group's business strategy, in view of the market uncertainty, the Group has taken a prudent approach in the expansion. Additional time is required for the investment in and acquisition of the potential targets that are complementary to the Group's business. As at the date of this announcement, the Group is in the process of identifying suitable acquisition opportunities.

Moreover, regarding the net proceeds allocated to invest in information technologies and our internal management system(s) to improve service quality and customer experience, the Group is in the process of identifying suitable system(s) for the relevant investment and anticipates it will take longer than originally planned.

The Board considers that the extension of the expected timeline for full utilisation of the Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and the shareholders as a whole. In the event of any material change in the timetable of the use of the Unutilised Net Proceeds, the Company will make appropriate announcement(s) in due course.

OTHER INFORMATION

FINAL DIVIDEND

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

ANNUAL GENERAL MEETING

The forthcoming 2024 annual general meeting (“**AGM**”) of the Company will be held on Thursday, 29 May 2025 and its notice and all other relevant documents will be published and despatched to the Shareholders in April 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 26 May 2025 to Thursday, 29 May 2025, both days inclusive, during which period no transfer of Shares will be effected, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM. All transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 23 May 2025.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, the Company has repurchased a total of 54,745,000 Shares on the Stock Exchange at an aggregate consideration of HK$98,800,500. As at the date of this announcement, a total of 19,427,000 Shares repurchased during the Reporting Period have been cancelled.

Trading Month	Number of Shares Repurchased	Highest Price Per Share Paid *(HK$)*	Lowest Price Per Share Paid *(HK$)*	Total Consideration Paid *(HK$)*
March	3,781,000	2	2	7,562,000
April	5,940,000	2	1.99	11,878,970
May	9,706,000	2	1.81	19,069,110
October	5,634,000	1.9	1.63	10,141,980
November	19,204,000	2	1.55	33,309,130
December	10,480,000	1.65	1.47	16,839,310
Total	54,745,000			98,800,500

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares[(note 1)], if any). As at 31 December 2024, the Company did not hold any treasury shares[(note 1)].

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, in order to safeguard and protect the interests of its shareholders and to enhance corporate value and accountability system. The Company has adopted the principles and code provisions of the Corporate Governance Code ("**CG Code**") as contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company since the Listing Date.

For the year ended 31 December 2024, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code. The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

Note 1: As defined under the Listing Rules

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. The provisions of the Listing Rules regarding directors' compliance with the code of conduct for securities transactions shall apply to the Company from the Listing Date. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the Model Code for the year ended 31 December 2024.

The Model Code is also applicable to relevant employees who may have unpublished inside information about the Company in relation to their dealings in the Company's securities. To the best knowledge of the Company, there were no incidents of non-compliance with the Model Code by the Directors and relevant employees of the Company during the Reporting Period.

REVIEW OF THE ANNUAL RESULT BY AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely Mr. Rui Meng, Dr. Wong Wing Kuen Albert and Mr. Yang Xi. The Audit Committee had reviewed together with the management of the Company the accounting principles and policies adopted by the Group, discussed internal controls and financial reporting matters, including a review of the condensed consolidated annual results of the Group, for the Reporting Period, and confirmed that it has complied with all applicable accounting principles, standards and requirements and made full disclosure. There were no disagreements from the Auditor or the Audit Committee in respect of the accounting policies adopted by the Company.

SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by the Auditor, Zhonghui Anda CPA Limited ("**Zhonghui Anda**"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Zhonghui Anda in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Zhonghui Anda on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual result announcement for the year is published on the website of the Hongkong Stock Exchange (www.hkexnews.hk) and the Company's website (www.dexinfuwu.com). The annual report of the Company for the Reporting Period containing all the relevant information required under the Listing Rules will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
Dexin Services Group Limited
Hu Yiping
Chairman and executive Director

Hangzhou, the PRC, 28 March 2025

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Hu Yiping, Mr. Tang Junjie and Ms. Zheng Peng as executive Directors; and Dr. Wong Wing Kuen Albert, Mr. Rui Meng and Mr. Yang Xi as independent non-executive Directors.