苏新服务
SUXIN SERVICE 1994

Suxin Joyful Life Services Co., Ltd.
蘇新美好生活服務股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2152)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL SUMMARY

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**924,601**	725,104
Gross profit	**161,876**	146,973
Gross profit margin	**17.5%**	20.3%
Profit for the year	**66,153**	80,122
Net profit margin	**7.2%**	11.0%
Profit attributable to owners of the Company	**65,316**	74,430
Basic earnings per share *(RMB per share)*	**0.65**	0.74

- For the year ended 31 December 2024, the total revenue of the Group was approximately RMB924.6 million, representing an increase of approximately 27.5% from approximately RMB725.1 million for the same period in 2023.

- For the year ended 31 December 2024, the gross profit of the Group was approximately RMB161.9 million, representing an increase of approximately 10.1% from approximately RMB147.0 million for the same period in 2023. The Group's gross profit margin was 17.5% for the year ended 31 December 2024, representing a decrease of 2.8 percentage points from the same period in 2023.

- For the year ended 31 December 2024, the profit of the Group was approximately RMB66.2 million, representing a decrease of approximately 17.4% from approximately RMB80.1 million for the same period in 2023.

- As of 31 December 2024, the Group had a total contracted GFA of approximately 25.6 million sq.m., representing an increase of approximately 8.9 million sq.m. compared with 31 December 2023.

- The Board has resolved to recommend the distribution of a final dividend in cash of RMB0.3602 per share of the Company (tax inclusive) for the year ended 31 December 2024.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Suxin Joyful Life Services Co., Ltd. (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024, together with comparative figures for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	*5*	**924,601**	725,104
Cost of sales		**(762,725)**	(578,131)
Gross profit		**161,876**	146,973
Other income and gains		**12,610**	45,895
Selling and marketing expenses		**(2,870)**	(3,317)
Administrative expenses		**(54,490)**	(49,927)
Other expenses		**(15,384)**	(20,971)
Finance costs		**(14,242)**	(15,181)
Share of profits and losses of a joint venture		**(476)**	9
Share of losses of associates		**792**	1,055
PROFIT BEFORE TAX	*6*	**87,816**	104,536
Income tax expense	*7*	**(21,663)**	(24,414)
PROFIT FOR THE YEAR		**66,153**	80,122
Profit attributable to:			
Owners of the parent		**65,316**	74,430
Non-controlling interests		**837**	5,692
		66,153	80,122
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted *(RMB)*		**0.65**	0.74

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**374,950**	392,619
Investment properties		**369,969**	332,691
Other intangible assets		**4,452**	1,176
Investment in a joint venture		**533**	1,009
Investments in associates		**1,060**	838
Equity investments designated at fair value through other comprehensive income		**3,484**	4,950
Right-of-use assets		**9,784**	10,063
Deferred tax assets		**6,531**	5,246
Total non-current assets		**770,763**	748,592
CURRENT ASSETS			
Inventories		**92**	118
Trade receivables	*11*	**438,296**	295,064
Prepayments, other receivables and other assets		**26,585**	28,637
Financial assets at fair value through profit or loss		**8,000**	18,000
Due from related parties		**79,170**	58,736
Time deposits		**37,215**	69,903
Restricted cash		**395**	265
Cash and cash equivalents		**358,142**	397,318
Total current assets		**947,895**	868,041
CURRENT LIABILITIES			
Trade payables	*12*	**362,461**	301,328
Other payables and accruals		**123,876**	110,201
Interest-bearing bank loans		**10,000**	10,000
Lease liabilities		**119**	111
Due to related parties		**22,397**	24,237
Tax payable		**13,120**	11,326
Contract liabilities		**63,784**	53,726
Total current liabilities		**595,757**	510,929
NET CURRENT ASSETS		**352,138**	357,112
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,122,901**	1,105,704

	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank loans	**99,063**	109,063
Deferred tax liabilities	**7,734**	11,556
Lease liabilities	**31**	150
Other liabilities	**177,286**	174,041
Total non-current liabilities	**284,114**	294,810
Net assets	**838,787**	810,894
EQUITY		
Share capital	**101,047**	101,047
Reserves	**723,837**	694,981
Equity attributable to owners of the parent	**824,884**	796,028
Non-controlling interests	**13,903**	14,866
Total equity	**838,787**	810,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company established in the People's Republic of China ("**PRC**") on 12 April 1994. The registered office of the Company is located at Suzhou Gaoxin Plaza, 28 Shishan Road, New District, Suzhou, Jiangsu Province, China. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 August 2022.

During the year, the Group was principally engaged in the provision of city services and property management services. The controlling shareholder of the Company is Suzhou Sugaoxin Group Co., Ltd. ("**SND Company**"), a wholly state-owned company established in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Entity name	Place and date of incorporation/registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
			%	%	
Suzhou Golden Lion Building Development Management Co., Ltd* ("**Golden Lion**") 蘇州金獅大廈發展管理有限公司 *(notes (a) and (b))*	PRC/Chinese Mainland 28 October 1992	RMB104,271,300	100	–	Property management
Suzhou Xingang Municipal Greening Service Co., Ltd* ("**Xingang Municipal Greening**") 蘇州新港市政綠化服務有限公司 *(notes (a) and (b))*	PRC/Chinese Mainland 13 April 2011	RMB12,000,000	100	–	City services
Suzhou Keshang Property Service Co., Ltd* ("**Keshang Property Service**") 蘇州科尚物業服務有限公司 *(notes (a) and (b))*	PRC/Chinese Mainland 31 December 2014	RMB5,000,000	80	–	Property management

(a) The English names of the entities registered in Chinese Mainland represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.

(b) Registered as domestic limited liability companies under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention, except for investment properties, wealth management products and equity investments designated at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes commercial property management services, residential property management services, city services and rental income for the purpose of making decisions about resource allocation and performance assessment. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated. Therefore, no discrete operating segment information is available. Accordingly, no further operating segment information is presented.

Geographical information

During the year, the Group operated within one geographical location because all of its revenue was generated in Chinese Mainland and all of its non-current assets/capital expenditure were located/incurred in Chinese Mainland. Accordingly, no further geographical information is presented.

Information about major customers

For the year ended 31 December 2024, revenue of approximately RMB208,447,000 (2023： RMB160,115,000) was derived from the provision of city services and rental income to a single customer. Except for the above, no revenue from other customers accounted for more than 10% of the total revenue of the Group.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Commercial property management services	**227,576**	195,191
Residential property management services	**61,586**	60,096
City services	**621,046**	453,111
Subtotal	**910,208**	708,398
Revenue from other sources		
Rental income	**14,393**	16,706
Total	**924,601**	725,104

Revenue from contracts with customers

(a) Disaggregated revenue information

	Commercial property management services	**Residential property management services**	**City services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
For the year ended 31 December 2024				
Rendering of services	**227,576**	**61,586**	**621,046**	**910,208**
Geographical market				
Chinese Mainland	**227,576**	**61,586**	**621,046**	**910,208**
Timing of revenue recognition				
Services transferred over time	**216,280**	**56,930**	**621,046**	**894,256**
Services transferred at a point in time	**11,296**	**4,656**	**–**	**15,952**
Total revenue from contracts with customers	**227,576**	**61,586**	**621,046**	**910,208**

	Commercial property management services	Residential property management services	City services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2023				
Rendering of services	195,191	60,096	453,111	708,398
Geographical market				
Chinese Mainland	195,191	60,096	453,111	708,398
Timing of revenue recognition				
Services transferred over time	190,532	56,419	453,111	700,062
Services transferred at a point in time	4,659	3,677	–	8,336
Total revenue from contracts with customers	195,191	60,096	453,111	708,398

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at beginning of the reporting period:		
Rendering of services	**53,726**	39,828

(b) ***Performance obligations***

For commercial property management services, residential property management services and city services, the Group recognises revenue in the amount that equals to the right to invoice which correspond directly with the value to the customer of the Group's performance to date, on a regular basis. The Group has elected the practical expedient for not to disclose the transaction price allocated to the remaining performance obligation for these types of contracts.

An analysis of other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income	**8,138**	5,994
Foreign exchange differences, net	**3,089**	2,910
Government grants*	**928**	4,704
Others	**455**	1,538
Relocation compensation	**–**	29,461
Total other income	**12,610**	44,607
Gains		
Gain on disposal of interests in an associate	**–**	1,288
Other income and gains	**12,610**	45,895

* The amount represents subsidies received from local government authorities in connection with certain financial support to local business enterprises. These government subsidies mainly comprised subsidies for listing incentives, subsidies for employment promotion and other miscellaneous subsidies and incentives for various purposes. There are no unfulfilled conditions relating to such government subsidies recognized.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
Cost of services provided	**762,725**	578,131
Depreciation of property, plant and equipment	**26,863**	27,063
Depreciation of right-of-use assets	**279**	305
Lease payments not included in the measurement of lease liabilities	**1,228**	848
loss on disposal of items of property, plant and equipment	**601**	39
Auditor's remuneration	**1,922**	2,000
Interest income	**(8,138)**	(5,994)
Employee benefit expenses (excluding directors' and chief executive's remuneration)*:		
Wages, salaries and other allowances	**161,045**	139,491
Pension scheme contributions and social welfare	**45,490**	34,500
Total	**206,535**	173,991
Impairment of trade receivables	**5,501**	2,541
Changes in fair value of investment properties	**12,292**	20,290

* An amount of RMB177,720,000 of employee benefit expenses was included in cost of services during the year ended 31 December 2024 (31 December 2023: RMB145,017,000).

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Chinese Mainland are subject to CIT at a rate of 25% on the taxable income.

	2024	2023
	RMB'000	*RMB'000*
Current — Chinese Mainland:		
Charge for the year	**17,423**	20,093
Deferred tax	**4,240**	4,321
Total tax charge for the year	**21,663**	24,414

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**87,816**	104,536
Tax at the statutory tax rate	**21,954**	26,135
Expenses not deductible for tax	**126**	361
Tax losses utilised from previous periods	**(1,352)**	(497)
Tax losses not recognised	**935**	1
Profits and losses attributable to joint ventures and associates	**–**	(1,586)
Tax charge at the Group's effective tax rate	**21,663**	24,414

8. DIVIDEND

	2024	2023
	RMB'000	*RMB'000*
Proposed final — RMB0.3602 per ordinary share (tax inclusive) (2023:RMB0.3351 per ordinary share (tax inclusive))	**36,395**	33,868

The proposed final dividend for the year ended 31 December 2024 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

2023 dividend have been fully settled as at the issuance date of this financial statements.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 101,047,000 (2023: 101,047,000) in issue during the year.

The Group had no potentially diluted ordinary shares in issue during the years ended 31 December 2024 and 2023.

The calculation of basic and diluted earnings per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings:		
Profit for the period attributable to owners of the parent, used in the basic earnings per share calculation	**65,316**	74,430

	Number of shares '000	
	2024	2023
Shares:		
Weighted average number of ordinary shares in issue during year, used in the basic earnings per share calculation	**101,047**	101,047

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	**Vehicles** *RMB'000*	**Machinery and others** *RMB'000*	**Construction in progress** *RMB'000*	**Total** *RMB'000*
31 December 2024					
At 1 January 2024					
Cost	**290,136**	**58,711**	**133,113**	**–**	**481,960**
Accumulated depreciation	**(21,200)**	**(35,111)**	**(33,030)**	**–**	**(89,341)**
Net carrying amount	**268,936**	**23,600**	**100,083**	**–**	**392,619**
At 1 January 2024, net of accumulated depreciation	**268,936**	**23,600**	**100,083**	**–**	**392,619**
Additions	**2,959**	**1,369**	**1,976**	**3,516**	**9,820**
Disposals	**–**	**(23)**	**(603)**	**–**	**(626)**
Depreciation provided during the year *(note 6)*	**(8,338)**	**(6,019)**	**(12,506)**	**–**	**(26,863)**
At 31 December 2024, net of accumulated depreciation	**263,557**	**18,927**	**88,950**	**3,516**	**374,950**
At 31 December 2024					
Cost	**293,095**	**60,057**	**134,486**	**3,516**	**491,154**
Accumulated depreciation	**(29,538)**	**(41,130)**	**(45,536)**	**–**	**(116,204)**
Net carrying amount	**263,557**	**18,927**	**88,950**	**3,516**	**374,950**

	Buildings *RMB'000*	Vehicles *RMB'000*	Machinery and others *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2023					
At 1 January 2023 (Restated)					
Cost	290,136	49,843	132,457	–	472,436
Accumulated depreciation	(12,362)	(29,309)	(20,607)	–	(62,278)
Net carrying amount	277,774	20,534	111,850	–	410,158
At 1 January 2023, net of accumulated depreciation (Restated)	277,774	20,534	111,850	–	410,158
Additions	–	9,084	749	–	9,833
Disposals	–	(216)	(93)	–	(309)
Depreciation provided during the year *(note 6)*	(8,838)	(5,802)	(12,423)	–	(27,063)
At 31 December 2023, net of accumulated depreciation	268,936	23,600	100,083	–	392,619
At 31 December 2023					
Cost	290,136	58,711	133,113	–	481,960
Accumulated depreciation	(21,200)	(35,111)	(33,030)	–	(89,341)
Net carrying amount	268,936	23,600	100,083	–	392,619

Certain of the Company's buildings with net carrying amounts of approximately RMB34,268,000 as at 31 December 2024 (2023: RMB35,710,000) were pledged to secure certain bank loans granted to a subsidiary of the Company.

11. TRADE RECEIVABLES

	2024 ***RMB'000***	2023 *RMB'000*
Trade receivables	**463,319**	314,586
Impairment	**(25,023)**	(19,522)
Net carrying amount	**438,296**	295,064

Trade receivables mainly arise from the provision of city services and property management services. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and credit limits attributed to customers are reviewed once a month. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**372,583**	249,202
1 to 2 years	**45,263**	43,482
2 to 3 years	**20,450**	2,380
Total	**438,296**	295,064

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**(19,522)**	(16,981)
Impairment losses	**(5,501)**	(2,541)
At end of year	**(25,023)**	(19,522)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Current to one year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**2.35%**	**6.80%**	**28.34%**	**100.00%**	**5.40%**
Gross carrying amount *(RMB'000)*	**381,564**	**48,563**	**28,539**	**4,653**	**463,319**
Expected credit losses *(RMB'000)*	**(8,981)**	**(3,300)**	**(8,089)**	**(4,653)**	**(25,023)**

As at 31 December 2023

	Current to one year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	3.44%	10.18%	48.35%	100.00%	6.21%
Gross carrying amount *(RMB'000)*	258,081	48,408	4,608	3,489	314,586
Expected credit losses *(RMB'000)*	(8,879)	(4,926)	(2,228)	(3,489)	(19,522)

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**349,355**	285,900
1 to 2 years	**8,019**	8,982
2 to 3 years	**3,597**	3,328
Over 3 years	**1,490**	3,118
Total	**362,461**	301,328

Trade payables are non-interest-bearing and are normally settled on 180-day terms.

13. EVENTS AFTER THE REPORTING PERIOD

On 17 January 2025, the Company has submitted a bid for the proposed acquisition of 51% equity interest in Lianyungang Port Maintenance Engineering Co., Ltd. (the "**Sale Equity**") through public tender at Lianyungang Exchange Center. On 19 February 2025, the public tender process has been completed and the Company the successful bidder with the Final Bid Price being RMB23,766,000. The Company and Lianyungang Port Holdings Company Limited (the "**Vendor**") entered into an agreement pursuant to which the Company agreed to acquire and the Vendor agreed to sell the Sale Equity at the Final Bid Price.

14. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a city service and property management service provider deeply rooted in the Yangtze River Delta Region, especially in Suzhou. The H shares of the Company (the "**H Shares**") were listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 August 2022 (the "**Listing Date**") by way of global offering (the "**Global Offering**").

The Group focuses on providing city services, commercial property management services, residential property management services and property leasing. Headquartered in Suzhou, Jiangsu Province, the Group has established a solid market presence in the Yangtze River Delta Region. The Group believes that its strategic focus on the Yangtze River Delta Region, especially in Suzhou, and the established market position for providing city services and property management services in Suzhou will continue to support the growth of the Group's business scale and enable the Group to enjoy competitive advantages in the city service and property management service market of the People's Republic of China ("**China**" or "**PRC**").

The Group's focus on city environment, citizen wellbeing and commitment to customer satisfaction have shaped its brand image for high-calibre services. The Group's commitment to quality services has earned the Group numerous industry awards and recognitions. The Group has been recognized as one of the Top 100 Property Management Companies of China for nine consecutive years since 2016 and was ranked 33rd among the 2024 Top 100 Property Management Companies of China (2024 中國物業服務百強企業) by China Index Academy ("**CIA**")[1] in terms of overall strength. The Group was honoured as one of the "Leading Smart City Services Companies in China" (2024 中國智慧城市服務領先企業) by CIA in 2024 and Shishan Financial Innovation Center, the project under management, was accredited as "China Five-Star Property Service Project in 2024 (2024中國五星級物業服務項目)".

The Group provides comprehensive city services and property management services to a wide variety of properties, including (i) city services offered to local governments and public authorities to satisfy local residents' daily living needs and improve their living standards and experience; (ii) commercial property management services offered to industrial parks, office buildings, apartments and commercial complexes; and (iii) residential property management services. The Group offers both traditional property management services and a wide range of value-added services to commercial properties and residential communities to address the diverse needs of its customers while

1 Each year the CIA publishes the Top 100 Property Management Companies in China in terms of overall strength based on the data from the previous year on key factors such as management scale, operational performance, service quality, growth potential and social responsibility of the property management companies under consideration.

enhancing customer stickiness. The Group also provides property leasing services where it leases out office buildings and apartments to diversify its revenue streams. The Group believes that provision of diverse services will improve customers' loyalty, increase its brand recognition and enhance business operations and financial performance.

As of 31 December 2024, the Group was contracted to provide public facility management services, basic commercial property management services and basic residential property management services to 179 projects in China, with a total contracted gross floor area ("**GFA**") of approximately 25.6 million square metres ("**sq. m.**"), representing an increase of 53.3% compared with 31 December 2023, primarily attributable to a project at the Stone Lake Scenic Area with a total GFA of 6.2 million sq.m.. Among these, 165 projects with a total GFA of over 17.0 million sq.m. were under the Group's management.

The following table sets forth the Group's tender success rate for obtaining property management service agreements by type of property developer for the years indicated:

	Year ended 31 December					
	2024			2023		
	Number of bids submitted	**Number of winning bids**	**Tender success rate %**	Number of bids submitted	Number of winning bids	Tender success rate %
SND Group[1]	**1**	**1**	**100%**	–	–	–
Joint ventures and/or associates of SND Group[2]	**5**	**5**	**100%**	6	6	100%
Independent Third Parties[3]	**53**	**26**	**49.1%**	29	18	62%

Notes:

(1) Refers to properties solely developed by Suzhou Sugaoxin Group Co., Ltd.* (蘇州蘇高新集團有限公司) (a controlling shareholder of the Company, "**SND Company**" and together with its subsidiaries (excluding the Group), "**SND Group**") or jointly developed by SND Group and independent third-party property developers in which project SND Group held a controlling interest.

(2) Refers to properties jointly developed by SND Group and independent third-party property developers in which project SND Group did not hold a controlling interest.

(3) Refers to properties developed solely by independent third-party property developers.

BUSINESS STRATEGIES

The Group has been gradually shifting its corporate strategy to focus on non-residential projects in recent years, and reallocated certain of its manpower and resources from residential projects to non-residential projects under its management. This is primarily because on the one hand, as the Group's service offerings diversify and the demand for professional commercial property management services increase, the Group naturally pivot our strategy away from focusing primarily on residential property management services; and on the other hand, the residential property management market faces increasingly intense competition according to Frost & Sullivan (Beijing) Inc., and the Group believes that given its capability in providing city services and commercial property management services, shifting its strategy to focus on non-residential projects will allow it to seize an opportunity for continuous and sustainable growth. The Group plans to strengthen its market position and achieve further expansion by implementing the following strategies: (i) further expand its business operations in Suzhou and the Yangtze River Delta Region and solidify our competitive advantages; (ii) continue to diversify its city service and property management service portfolio; (iii) increase investment in its technologies and intelligent operations to enhance customer experience and operational efficiency; and (iv) continue to attract, cultivate and retain talent.

(i) Expansion of business operation

The Group continued to advance its expansion strategy, incorporating expansion targets into key annual performance metrics to ensure steady strategic progress and sustained growth in market share. Building on its expansion to all ten major segments of Suzhou in 2023, the Group has expanded comprehensively into the market in Jiangsu Province, reaching half of the province's cities by 2024, with plans to complete a full provincial coverage by 2025. These expansion initiatives have delivered substantial revenue and profit growth to the Group. Moving forward, the Group will continue to deepen market expansion and optimize operational capabilities to create long-term value for its shareholders.

(ii) Diversification of city services

For city services, the Group has actively responded to policy guidelines in Gaoxin District, Suzhou, establishing a demonstration zone of smart sanitation model. In 2024, the Group introduced multiple autonomous sweeping vehicles and integrated washing-sweeping vehicles, achieving high-precision and edge-sweeping operations along certain central roads in the district. Moving forward, the Group plans to progressively increase the full mechanization coverage rate of slow lanes across the central areas of Gaoxin District, Suzhou.

(iii) Investment in technologies and intelligent operations

In March 2024, during the opening of the Second Session of the 14th National People's Congress, one of the key emphases was the active advancement of digital industrialization and industrial digitalization to deepen the integration of digital technologies with the real economy. The Group initiated the full-scale development of an intelligent property management system in 2024. Leveraging digital tools, the Group systematically organized and optimized supply chain management, financial management, human resources management, and project management in order to comprehensively enhance operational efficiency and service quality. Phase I of the project has been fully completed, encompassing core modules such as unified portal, business-finance-tax integration, on-site property management, and human resources system.

STRATEGIC BUSINESS RELATIONSHIP WITH SND GROUP

The Group has maintained a long and close strategic relationship with SND Company, a controlling shareholder of the Company. The diverse property portfolio of SND Group provides the Group with a large potential pipeline of high-quality projects. The Group has been providing city services, commercial property management services, residential property management services and property leasing services to properties developed by SND Group since the Group's establishment in 1994. SND Group, its joint ventures and/or associates as a whole were the Group's second largest customer during the year ended 31 December 2024, and the Group provided multiple services to a substantial portion of the properties developed by SND Group, its joint ventures and/or associates.

The Company believes that the business relationship between the Group and SND Group is mutually beneficial and complementary and presents a sustainable business model. Over years of cooperation, the Group and SND Group have developed a mutual and deep understanding of each other's business operations and shared a similar service philosophy. The long-term cooperation relationship with and proven track record of providing services to SND Group have led to the Group's familiarity with the standards and requirements of SND Group, which has enabled the Group to reduce communication costs, build mutual trust and constantly provide high quality services to property owners, residents and tenants that meet SND Group's stringent demands and requirements, in turn to add value to the marketability of the properties developed by SND Group, and to reinforce the Group's existing market position and enhance our competitiveness in the PRC and Suzhou property management industry. The Company also believes its close and long-term cooperative relationship with SND Group is instrumental to its success in establishing a distinguished and well-recognized brand image nationally, while enabling the Group to reinforce our existing market position and enhance our competitiveness in the PRC property management industry. Meanwhile, the Group's ability to maintain high retention rate with properties under its management since its Listing also demonstrated the level of client satisfaction for the Group's high quality services, which indicates the Group's contribution to the brand image of SND Group by continuously delivering quality property management services to property owners and residents of its developed properties.

Considering the long-standing cooperation with SND Group and the amount of time and efforts required to identify and engage a new service provider with comparable experience and ability to provide services of comparable standard and scope, our Directors are of the view that the mutually beneficial and complementary relationship with SND Group will continue to enable the Group to secure future engagements from SND Group, and it would be relatively difficult for SND Group to select and engage a new service provider to replace the Group.

Going forward, the Company expects that the mutually beneficial and complementary business relationship between the Group and SND Group will continue and in turn, is unlikely to be materially or adversely changed.

ACTIVE BUSINESS OUTREACH

While maintaining its business cooperation with SND Group, with a view to diversifying the Group's customer base, the Company has also been making continuous efforts to expand its business to manage projects developed by third-party property developers as well as its customer base by leveraging our increasingly enhanced brand awareness and market position.

The Group endeavors to expand its business scale by managing more properties developed by independent third-party property developers. During the year ended 31 December 2024, the Group's bidding success rate with respect to properties developed by independent third parties was 49.1%, and the revenue from independent third-party property developers accounted for: (i) 75.1% of the Group's total commercial property management service revenue for the commercial property management segment; and (ii) approximately 99.5% of the Group's total residential property management service revenue for the residential property management service segment.

COMPETITIVE STRENGTHS

The Company believes that the following competitive strengths have enabled the Group to achieve a competitive position in the property management industry in the PRC and differentiated the Group from its competitors: (i) the Group is a leading provider of comprehensive city services and property management services deeply rooted in the Yangtze River Delta Region; (ii) the Group's diversified portfolio of service offerings and properties under management; (iii) the Group's long-term and stable cooperation with SND Group contributing to continuous and sustainable business growth; (iv) the Group's prestigious brand image supported by quality and professional services; and (v) the Group's visionary management team, effective human resource system and well-developed workforce with strong operational capabilities supporting our sustainable growth.

BUSINESS REVIEW

During the year ended 31 December 2024, the Group derived its revenue primarily from four business lines, namely, (i) city services; (ii) commercial property management services; (iii) residential property management service; and (iv) property leasing services.

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

	Year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
City services				
— SND Group	**35,347**	**3.8%**	32,947	4.5%
— Independent third parties	**585,699**	**63.4%**	420,164	58.0%
Commercial property management services				
— SND Group	**53,661**	**5.8%**	29,252	4.0%
— Joint ventures and/or associates of SND Group	**2,918**	**0.3%**	8,132	1.1%
— Independent third parties	**170,997**	**18.5%**	157,807	21.8%
Residential property management services				
— SND Group	**260**	**0.0%**	–	0.0%
— Joint ventures and/or associates of SND Group	**34**	**0.0%**	–	0.0%
— Independent third parties	**61,292**	**6.6%**	60,096	8.3%
Property leasing				
— Independent third parties	**14,393**	**1.6%**	16,706	2.3%
TOTAL	**924,601**	**100.0%**	725,104	100.0%

Portfolio of Properties under Management

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

	As of 31 December			
	2024		2023	
	Number of projects	**GFA under management** *sq.m.'000*	Number of projects	GFA under management *sq.m.'000*
Public facility management services	**62**	**4,501.5**	45	3,421.6
Basic commercial property management services	**72**	**9,489.9**	50	8,408.3
Basic residential property management services	**31**	**3,023.7**	31	3,329.3
Total	**165**	**17,051.1**	126	15,159.2

The Group's overall average monthly property management fees steadily increased. During the year ended 31 December 2024, as compared with the same period last year, (i) the average property management fees for the Group's public facility management services exhibited an upward trend; (ii) the average property management fees for the Group's commercial property management services increased; and (iii) the average property management fees for the Group's residential property management services remained relatively stable.

City Services

The Group assists local governments and public authorities in their provision of city services to improve local residents' living experience and environment. The Group's city services primarily include (i) municipal infrastructure services; (ii) public facility management services; and (iii) operation of waste collection centres.

Municipal Infrastructure Services

The Group offers municipal infrastructure services including cleaning, greening, maintenance, regular inspection and refurbishment services to ensure the cleanliness and normal operations of public infrastructure under the Group's management, including city roads, external walls of buildings along main city roads, street lamps, water supply network, as well as tram and tram platforms. The Group charges service fees based on the length of roads or GFA of the site area covered by its services. As of 31 December 2024, the Group provided municipal infrastructure services to 29 projects.

Public Facility Management Services

The Group offers property management services including cleaning, security, gardening and landscaping, as well as repair and maintenance services to public facilities such as public museums, libraries, art and sports centres, city parks and office buildings for public authorities.

As of 31 December 2024, GFA of public facilities under the Group's management was approximately 4.5 million sq.m..

Operation of Waste Collection Centres

Underpinned by the Group's extensive experience in maintaining public facilities, the Group has been awarded by local governments and public authorities for the construction and operation of waste collection centres. Upon construction of waste collection centres, the Group assists local governments and public authorities in operating the waste collection centres and offering waste management services, including collecting household waste from city roads, households and commercial sources in the Suzhou Gaoxin District, transporting waste to the Group's operated waste collection centres, sorting and compacting waste for better treatment, and disposing compressed waste to incineration for burning or landfills for burying operated by third parties.

As of 31 December 2024, the Group had three waste collection centres with the maximum capacity to process 1,200 tons of household waste per day and 50 tons of bulky waste per day.

Commercial and Residential Property Management Services

The Group's commercial and residential property management services include both basic property management services and value-added services. Basic property management services include security services, cleaning, greening and gardening services, and common area facility repair and maintenance services. Value-added services include carpark space management services, resource management services, property agency services, and other customized services such as customized cleaning and maintenance services, security services, hosting events, business support and/or assistance to customers in leasing printing machines according to specific customer demands.

As of 31 December 2024, the Group provided basic commercial property management services to 72 commercial properties with a total GFA under management of approximately 9.5 million sq.m., and 31 residential properties with a total GFA under management of approximately 3.0 million sq.m..

Property Leasing

The Group owns certain investment properties such as office buildings and apartments which are leased out as staff dormitories or offices. The Group charges rental fees and management fees.

As of 31 December 2024, the average occupancy rate of the Group's leased properties was approximately 36.4%. The Group recorded a decrease in average occupancy rate from approximately 52.3% in the year ended 31 December 2023 to approximately 36.4% in the year ended 31 December 2024, primarily due to the lower-than-expected capacity utilization rate of enterprises during the reporting period in the surrounding area of Jinlin Apartment (金鄰公寓), being the Company's largest property leasing project accounting for 85% of the Company's overall leasable area, which was resulted from a decrease in the occupancy demand (especially for residential properties) from corporate employees due to the decline in the number of factories in operation in the surrounding area of Jinlin Apartment.

OUTLOOK

I. Expanding Business and Pursuing Breakthroughs — Elevating Competitive Strength

In 2024, the Group continued to anchor its strategic positioning as "a provider of comprehensive city services and property management services", seized collaborative opportunities, and triggered the growth momentum. Our services had achieved coverage in half of the city projects across Jiangsu Province. In 2025, the Group will amplify its brand influence, strengthen external growth drivers, and continue to expand new projects aligned with the Group's operational direction, to extend our business coverage to all cities in Jiangsu Province while exploring projects in other provinces. Focusing on professionalized services, the Group will refine order maintenance and cleaning services and build a quality management system standard, thereby enhancing its core competitiveness.

II. Consolidating Foundations and Building on Strengths — Strive for Further Progress in Core Duties and Operations

We will concentrate on our core duties and operations, solidify our foundations, and pursue steady progress. For city services, we will refine our integrated management models to establish replicable management systems. By adopting a cleaning mode of "multi-machine deep cleaning + manual scavenging" to ensure compliance with cleaning standards, we will build high-quality cleaning zones in core business districts in Shishan, Gaoxin District, Suzhou. With innovative methods such as "waste removal by bus" for roadside black bags, we will improve our cleaning efficiency and quality. We will set a 2025 mechanized and smart upgrade plan for city sanitation, increasing investments in mechanized and smart equipments to enhance sanitation. For property management, we will continue to advance main initiatives of empowering communities and connecting with hearts, working hard on residential community renovations, and improvements of service quality and efficiency.

III. Breaking Boundaries and Leading the Future with Intelligence — Transcending Service Value

To date, the Group has made great progress in its business-finance integration project development. In 2025, the Group will actively explore digital construction, achieving innovative applications of artificial intelligence in service optimization, to transcend traditional boundaries and activate digital momentum. Meanwhile, on the basis of 2024, we will gradually improve the channel development of our value-added business, continue to deepen our efforts in three main areas: spatial resources, community group purchasing and extended services, and explore full-lifecycle property services. By expanding service categories, refining service details, and leveraging smart property systems, we aim to continuously enhance customer loyalty and brand image.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

A significant portion of the Group's operations are concentrated in the Yangtze River Delta Region, and the Group is susceptible to any adverse development in government policies or business environment in this region.

A significant portion of the Group's operations are concentrated in the Yangtze River Delta Region. As of 31 December 2024, GFA under the Group's management of approximately 17.0 million sq.m. was from the Yangtze River Delta Region, which accounted for approximately 99.8% of the total GFA under the Group's management as of such date. During the year ended 31 December 2024, the Group derived RMB924.3 million, or 99.97%, of its total revenue from services provided to properties in the Yangtze River Delta Region. Due to such concentration, any adverse development in government policies or business environment in the area will materially and adversely affect the Group's business, financial position and results of operations.

The Group's operations rely heavily on the following development factors in the Yangtze River Delta Region, most of which are beyond the Group's control:

- changes in the economic condition, the level of economic activities and the pace of urban development;
- the future regional development prospects;
- changes in government regulations and policies regarding the property management industry and real estate development industry; and
- the Group's ability to compete with other property management companies operating in the region.

In addition, the Group has entered into various city service agreements with local governments in Suzhou to offer the Group's various city services. Any adverse changes in the Group's cooperation relationship with the local government may negatively affect our ability to renew these service agreements or expand our municipal service business operations. Factors that could affect such relationship include (i) governments' plan and budget in engaging city service providers; (ii) the satisfaction with our services; and (iii) potential changes in laws, regulations and policies that could hinder the local governments' ability or willingness to enter into municipal service agreements with the Group.

The Group is susceptible to changes in the regulatory landscape of the PRC.

The Group seeks to comply with all applicable laws and regulations in conducting its business operations, including the regulatory regime of the property management service industry. In particular, the PRC Government may promulgate new laws and regulations from time to time, affecting different aspects of the operations of the Group, including but not limited to property management fees and minimum wages. For example, in 2024, according to a policy notice announced by the Suzhou Municipal Bureau of Human Resources and Social Security in January 2024, there was an increase in the local monthly minimum wage from RMB2,280 to RMB2,490, while the hourly minimum wage increased from RMB22 to RMB24. This adjustment has directly impacted the Group's costs of human resources. To proactively respond to policy requirements and maintain service quality, the Group has actively implemented operational efficiency optimization measures by upgrading intelligent systems and streamlining service workflows to mitigate the impact of increased costs.

The PRC Government may also promulgate other new laws and regulations related to other aspects of the property management industry from time to time. This could increase the Group's compliance and operational costs, thereby materially and adversely affecting its business, financial condition and results of operations.

FINANCIAL REVIEW

Revenue

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

	Year ended 31 December			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
City services	**621,046**	**67.2%**	453,111	62.5%
— Municipal infrastructure services	**377,613**	**40.8%**	260,006	35.9%
— Public facility management services	**179,019**	**19.4%**	143.417	19.8%
— Operation of waste collection centers	**64,414**	**7.0%**	49,688	6.8%
Commercial property management services	**227,576**	**24.6%**	195,191	26.9%
— Basic property management services	**190,652**	**20.6%**	154,203	21.3%
— Value-added services	**36,924**	**4.0%**	40,988	5.6%
Residential property management services	**61,586**	**6.6%**	60,096	8.3%
— Basic property management services	**40,996**	**4.4%**	50,054	6.9%
— Value-added services	**20,590**	**2.2%**	10,042	1.4%
Property leasing	**14,393**	**1.6%**	16,706	2.3%
Total	**924,601**	**100.0%**	725,104	100.0%

Revenue of the Group increased by approximately 27.5% from approximately RMB725.1 million for the year ended 31 December 2023 to approximately RMB924.6 million for the year ended 31 December 2024, primarily reflecting the following:

(i) revenue from city services increased by approximately 37.1% from approximately RMB453.1 million for the year ended 31 December 2023 to approximately RMB621.0 million for the year ended 31 December 2024, primarily due to the increase in revenue from municipal infrastructure services as a result of the expansion of integrated city services, as well as the addition of public facilities including cultural and sports complex and the railway station to which the Group offers property management services;

(ii) revenue from commercial property management services increased by approximately 16.6% from approximately RMB195.2 million for the year ended 31 December 2023 to approximately RMB227.6 million for the year ended 31 December 2024, primarily due to the increase in revenue from the provision of value-added services to commercial properties resulting from the increased the number of commercial property sales offices and industrial park projects under the Group's management, such as the public rental commercial office building of Four Seasons Rongyu (四季榮寓);

(iii) revenue from residential property management services increased by approximately 2.5% from approximately RMB60.1 million for the year ended 31 December 2023 to approximately RMB61.6 million for the year ended 31 December 2024, primarily due to the increase in revenue from parking fee resulting from the renovation of some carpark spaces in the community; and

(iv) revenue from property leasing services decreased by approximately 13.8% from approximately RMB16.7 million for the year ended 31 December 2023 to approximately RMB14.4 million for the year ended 31 December 2024, primarily due to the decrease in the occupancy rate of Jinlin Apartment.

Cost of Sales

The Group's cost of sales increased from approximately RMB578.1 million for the year ended 31 December 2023 to approximately RMB762.7 million for the year ended 31 December 2024, which primarily corresponds to the increase in services provided by the Group during 2024 due to the increase in new projects of the Group.

The table below sets forth a breakdown of the Group's cost of sales by component for the years indicated:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Labor costs	**177,720**	145,018
Subcontracting costs	**354,427**	259,049
Utilities expenses	**22,376**	16,222
Maintenance expenses	**86,840**	65,417
Cleaning and security expenses	**32,461**	22,123
Greening and gardening expenses	**69,571**	52,935
Other expenses	**19,330**	17,367
Total	**762,725**	578,131

During the year ended 31 December 2024, subcontracting costs increased from RMB259.0 million in 2023 to RMB354.4 million in 2024, mainly due to the expansion of business and the Group continued to sub-contract certain services to third-parties to optimize its operations. Maintenance expenses increased from RMB65.4 million in 2023 to RMB86.8 million in 2024, primarily due to business expansion. Greening and gardening expenses increased from RMB52.9 million in 2023 to RMB69.6 million in 2024 due to the increase in municipal infrastructure services provided by the Group during 2024 as a result of the expansion of integrated city services provided by 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 *RMB'000*	**Gross profit margin**	Gross profit *RMB'000*	Gross profit margin
City services	**105,188**	**16.9%**	95,024	21.0%
Commercial property management services	**42,510**	**18.7%**	36,490	18.7%
Residential property management services	**5,188**	**8.4%**	4,967	8.3%
Property leasing	**8,990**	**62.5%**	10,492	62.8%
Total	**161,876**	**17.5%**	146,973	20.3%

The Group's gross profit increased by approximately 10.1% from approximately RMB147.0 million for the year ended 31 December 2023 to approximately RMB161.9 million for the year ended 31 December 2024, primarily due to the Group's business expansion.

The Group's gross profit margin decreased from approximately 20.3% for the year ended 31 December 2023 to approximately 17.5% for the year ended 31 December 2024, primarily reflecting the following:

(i) gross profit for city services increased by approximately 10.7% from approximately RMB95.0 million for the year ended 31 December 2023 to approximately RMB105.2 million for the year ended 31 December 2024, mainly due to the increase in revenue from municipal infrastructure services as a result of the expansion of integrated city services provided by the Group, as well as the addition of public facilities including cultural and sports complex and the railway station to which the Group offers property management services. However, the gross profit margin for city services decreased from approximately 21.0% in 2023 to approximately 16.9% in 2024 due to lower gross profit margin for new projects;

(ii) gross profit for commercial property management services increased by approximately 16.4% from approximately RMB36.5 million for the year ended 31 December 2023 to approximately RMB42.5 million for the year ended 31 December 2024, primarily due to the increase in the number of commercial property sales offices and industrial park projects under the Group's management, such as the public rental commercial office building of Four Seasons Rongyu (四季榮寓), whilst the gross profit margin remained stable at approximately 18.7% for 2023 and 2024, respectively;

(iii) gross profit for residential property management services increased by approximately 4.0% from approximately RMB5.0 million for the year ended 31 December 2023 to approximately RMB5.2 million for the year ended 31 December 2024, and the gross profit margin also remained relatively stable at approximately 8.4% in 2024; and

(iv) gross profit for property leasing services decreased by approximately 14.3% from approximately RMB10.5 million for the year ended 31 December 2023 to approximately RMB9.0 million for the year ended 31 December 2024, primarily due to the decrease in the occupancy rate of Jinlin Apartment. The gross profit margin remained relatively stable at 62.8% and 62.1% in 2023 and 2024, respectively.

Other Income and Gains

The Group's other income and gains decreased by approximately 72.5% from approximately RMB45.9 million for the year ended 31 December 2023 to approximately RMB12.6 million for the year ended 31 December 2024, primarily due to (i) the absence of the compensation received due to the demolition and relocation of Meilin Youth Apartment for the year ended 31 December 2024 as compared to that of approximately RMB29.5 million recorded in 2023; and (ii) the decrease in government grants received from approximately RMB4.7 million for the year ended 31 December 2023 to approximately RMB0.9 million for the year ended 31 December 2024 due to the decrease in incentives and elimination of tax credit in relation to the Company's successful listing provided by the government in 2023.

Selling and Marketing Expenses

The Group's selling and marketing expenses remained relatively stable at approximately RMB3.3 million and RMB2.9 million for the years ended 31 December 2023 and 2024, respectively.

Administrative Expenses

Administrative expenses increased from approximately RMB49.9 million for the years ended 31 December 2023 to approximately RMB54.5 million for the years ended 31 December 2024, mainly due to the increase of depreciation, credit impairment losses and taxes.

Other Expenses

Other expenses decreased by approximately 26.6% from approximately RMB21.0 million for the year ended 31 December 2023 to approximately RMB15.4 million for the year ended 31 December 2024, primarily due to the decrease in changes in fair value of investment properties in 2024 as compared to that in 2023.

Finance Costs

Finance cost decreased by approximately 6.2% from approximately RMB15.2 million for the year ended 31 December 2023 to RMB14.2 million for the year ended 31 December 2024, primarily due to the decrease in interest rates of bank loans and the partial repayment of bank loans.

Share of Profits/Losses of a Joint Venture and Associates

For the year ended 31 December 2024, the Group's share of profits of associates arose from the investments in (i) Suzhou Langyiju Commercial Management Service Co., Ltd.* (蘇州朗頤居商業管理服務有限公司_ ("**Langyiju Commercial**"); and (ii) Suzhou Mingsu Commercial Management Co., Ltd.* (蘇州銘蘇商業管理有限公司) ("**Mingsu Commercial**"),which amounted to approximately RMB0.8 million and the share of loss of a joint venture arose from the investment in Suzhou Gaoxin Rongyu Housing Leasing Co., Ltd.* (蘇州高新融寓住房租賃有限公司) ("**Gaoxin Rongyu**") which amounted to approximately RMB0.48 million. Both Langyiju Commercial and Mingsu Commercial are providers of property management services and the Group holds 19% equity interests in each of them; whereas Gaoxin Rongyu is a joint venture principally engaged in provision of real estate agency services and housing agency services, 50% equity interests of which is held by the Group as at 31 December 2024.

Income Tax Expense

Income tax expenses decreased by approximately 11.3% from approximately RMB24.4 million for the year ended 31 December 2023 to RMB21.7 million for the year ended 31 December 2024, which is in line with decrease of profit before tax.

Profit for the Year

As a result of the foregoing, profit for the year decreased from approximately RMB80.1 million for the year ended 31 December 2023 to approximately RMB66.2 million for the year ended 31 December 2024.

Property, Plant and Equipment

Property, plant and equipment decreased from approximately RMB392.6 million as of 31 December 2023 to approximately RMB375.0 million as of 31 December 2024.

Investment Properties

The value of the Group's investment properties, which mainly represented commercial properties and rental apartments, increased from approximately RMB332.7 million as of 31 December 2023 to approximately RMB370.0 million as of 31 December 2024, primarily due to the purchase of the land parcel no. Su Land 2024-WG-S03 (蘇地2024-WG-S03號) of RMB49.57 million during 2024. For details, please refer to the section headed "Capital Expenditures" in this announcement.

Equity Investment Designated at Fair Value Through Other Comprehensive Income

As of 31 December 2024, the Group recorded equity investments designated at fair value through other comprehensive income of approximately RMB3.5 million (31 December 2023: approximately RMB5.0 million).

As at 31 December 2024, equity investments designated at fair value through other comprehensive income reflect the value of the Group's equity investment in Suzhou Xinjingtian Business Land Development Company (蘇州新景天商務地產發展有限公司) ("**Suzhou Xinjingtian**") and Suzhou High-Tech Zhangxin Living Services Technology Co., Ltd. (蘇州高新掌新生活服務科技有限公司) ("**Living SND**"), details of which are set out below:

	Principal Business	Percentage of equity attributes as of 31 December 2024	Investment costs *RMB'000*	Fair value through other comprehensive income as of 31 December 2024 *RMB'000*	Size relative to the Company's total assets as of 31 December 2024	Fair value loss as of 31 December 2024 *RMB'000*
Suzhou Xinjingtian	Property development and leasing	8.00%	24,000	1,484	0.09%	3,466
Living SND	Operation of local life service e-commerce platform	10.00%	2,000	2,000	0.12%	–

No dividends were received on the above investment during the year ended 31 December 2024 (31 December 2023: Nil).

The Group remains susceptible to the risk of fair value change of its equity investments designated at fair value through other comprehensive income, and may record a fair value loss on the equity investments in the future, which would lead to a decrease in the total assets as well as net assets.

To monitor the performance of the Group's equity investments, the Group has adopted the following internal control policies: (i) the manager and supporting staff of each equity investment report the investment budget, the operational status of the investment target, and the major issues and their potential consequences to the Group's management on a quarterly basis; (ii) the Group will review the equity investments at least annually, and conduct periodical or special audits of its investment assets; and (iii) all the files related to each equity investment are documented and archived.

Trade Receivables

Trade receivables are amounts due from independent third-party customers for services the Group performed in its ordinary course of business. The Group's trade receivables increased by approximately 48.5% from approximately RMB295.1 million as of 31 December 2023 to approximately RMB438.3 million as of 31 December 2024, primarily due to the expansion of the city services of the Group during 2024 resulting in an increase in trade receivables.

Prepayments, Other Receivables and Other Assets

The Group's prepayments, other receivables and other assets remained relatively stable at approximately RMB28.6 million and RMB26.6 million as of 31 December 2023 and 31 December 2024, respectively.

Trade Payables

Trade payables primarily represent the Group's obligations to pay for services acquired in the ordinary course of business from independent third-party subcontractors and construction parties of waste collection centres. The Group's trade payables increased by approximately 20.3% from approximately RMB301.3 million as of 31 December 2023 to approximately RMB362.5 million as of 31 December 2024, primarily due to the increase in subcontracting fees incurred by the Group during 2024 due to expansion of city services and which were not yet settled by the Group to the relevant subcontractors as at 31 December 2024.

Other Payables and Accruals

Other payables and accruals represent (i) deposits that the Group collects from (a) property developers, property owners, residents and tenants before the Group commences its provision of property management services; and (b) property owners and residents before they begin renovating or refurnishing their units; (ii) payroll and welfare payable; (iii) maintenance funds; (iv) receipts of payments on behalf of customers, which primarily include payments from third parties for common area advertising and temporary parking; and (v) other tax payables.

The Group's other payables and accruals increased from approximately RMB110.2 million as at 31 December 2023 to RMB123.9 million as at 31 December 2024, primarily due to the increase in remuneration payable, and as at 31 December 2024, dividends payable to the controlling shareholders of the Company amounted to approximately RMB23.4 million, which was paid in March 2024.

Contract Liabilities

Contract liabilities mainly arise from payments the Group receives from customers based on billing schedules prescribed in the property management service agreements. A portion of payments are usually received in advance of the performance of property management services under the contracts.

The Group's contract liabilities increased by approximately 18.7% from approximately RMB53.7 as of 31 December 2023 to approximately RMB63.8 as of 31 December 2024, primarily due to the addition of commercial property projects such as Ziguan Building (資管大廈), Banyan Tree Hotel (悅榕莊酒店), Four Seasons Rongyu (四季榮寓) and Canal Platinum Bay Financial Plaza (運河鉑灣金融廣場) during the year ended 31 December 2024.

Net Current Assets

The Group's total current assets increased by approximately 9.2% from approximately RMB868.0 million as of 31 December 2023 to approximately RMB947.9 million as of 31 December 2024, primarily due to the expansion of the city services and increase in projects managed by the Group in 2024, resulting in an increase in trade receivables. Total current liabilities increased by approximately 16.6% from approximately RMB510.9 million as of 31 December 2023 to approximately RMB595.8 million as of 31 December 2024, primarily due to the increase in trade payables. As a result, the Group's net current assets decreased by approximately 1.4% from approximately RMB357.1 million as of 31 December 2023 to approximately RMB352.1 million as of 31 December 2024.

LIQUIDITY AND CAPITAL RESOURCES

The Group's main source of liquidity mainly came from cash flow from operations and interest-bearing borrowings and proceeds from the Listing. As of 31 December 2024, cash and cash equivalents of the Group amounted to approximately RMB358.1 million, of which RMB239.5 million was denominated in RMB and HK$128.1 million (equivalent to approximately RMB118.6 million) was denominated in Hong Kong dollars (31 December 2023: approximately RMB397.3 million, of which RMB237.7 million was denominated in RMB and HK$176.1 million was denominated in Hong Kong dollars).

Bank Borrowings

As of 31 December 2024, interest-bearing bank loans of the Group amounted to approximately RMB109.1 million (31 December 2023: bank loan of approximately RMB119.1 million), which was denominated in Renminbi and carried at fixed rates at 3.6% to per annum.

The following table sets forth the components of the Group's borrowings as of the dates indicated:

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Current		
— Current portion of long-term bank loans — secured	**10,000**	10,000
Non-current		
— Bank loans — secured	**99,063**	109,063
Total	**109,063**	119,063

The table below sets forth a repayment schedule of the interest-bearing bank loans as of the dates indicated:

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Repayable within one year or on demand	**10,000**	10,000
Repayable within two to five years, inclusive	**40,000**	40,000
Beyond five years	**59,063**	69,063
Total	**109,063**	119,063

Other Liabilities

As of 31 December 2024, the Group recorded other liabilities of approximately RMB177.3 million (31 December 2023: approximately RMB174.0 million). Other liabilities arose from an earmarked governmental loan granted by the Suzhou Finance Bureau to Suzhou Xingang Municipal Greening Service Co., Ltd.* (蘇州新港市政綠化服務有限公司), a subsidiary of the Company, with nominal value of RMB200.0 million, an annual nominal interest rate of 3.37% payable semiannually and a maturity date on 27 February 2030 to facilitate the construction of waste collection centres.

Pledge of Assets

As at 31 December 2024, the Group's bank loan of approximately RMB109.1 million were secured by certain investment properties and buildings of the Group with an aggregated carrying value of RMB50.7 million (31 December 2023: approximately RMB119.1 million with an aggregated carrying value of RMB54.0 million).

Gearing Ratio

Gearing ratio is calculated based on total bank loans and other liabilities divided by total equity as of the end of that period. The Group's gearing ratio for the year ended 31 December 2024 was 34.1% (31 December 2023: 36.1%).

Contingent Liabilities

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

Capital Expenditures

The Group's capital expenditure primarily represented expenditures incurred for purchase of property, plant and equipment and additions to leasehold land. During the year ended 31 December 2024, the Group incurred capital expenditures of approximately RMB89.0 million (31 December 2023: RMB49.0 million), primarily due to the purchase of the land of RMB49,570,000 in Gaoxin District, Suzhou.

Pursuant to the announcements of the Company dated 29 April 2024 and 21 May 2024, the Company successfully won the bidding for the land use rights of the land parcel no. Su Land 2024-WG-S03 (蘇地2024-WG-S03號) (the "**Land**") in Gaoxin District, Suzhou, Jiangsu Province, the PRC offered for sale by Suzhou Natural Resources and Planning Bureau through a public tender.

On 21 May 2024, Suzhou Natural Resources and Planning Bureau and the Company entered into the agreement pursuant to which the Company has agreed to acquire, and Suzhou Natural Resources and Planning Bureau has agreed to dispose of, the land use rights of the Land in Suzhou at a consideration of RMB49.57 million, equivalent to the official initial price of the bid of RMB49.57 million (tax inclusive), payable in two installments: (i) 50% of which shall be payable within three working days from the date of the agreement; (ii) the remaining 50% of which shall be payable before 8 August 2024. As of the date of this announcement, the Company has fully paid the consideration of the Land.

The Land is located at a prime location on Shishan Road, Shishan Business Innovation Zone, New and High-tech Zone, Suzhou, the PRC, adjacent to line 3 of Suzhou Metro, with convenient transportation, mature commercial facilities and abundant leisure resources in the vicinity, and is currently the only land parcel at auction on Shishan Road. The Company intends to develop the Land into office buildings, the size of which matches the Company's development needs for office space.

MARKET RISK ANALYSIS

The Group's major financial instruments include bank loans, finance leases, other liabilities, which primarily consist of government bonds and cash and time deposits. The risks associated with these financial instruments include credit risk and liquidity risk. The Directors manage and monitor these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

Credit Risk

The Group enters into transactions only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is insignificant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Group's head of credit control.

Liquidity Risk

The Group manages its exposure to liquidity risk primarily by monitoring current ratio. The objective of the Group is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing loans. The Group's policy is that all the borrowings should be approved by the chief financial officer of the Company.

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.

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

The Company did not have any significant investment or significant acquisition and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2024, the Company did not have any future plans for material investments or additions of capital assets.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, no event has taken place subsequent to 31 December 2024 and up to the date of this announcement that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

On 17 January 2025, the Company submitted a bid for the proposed acquisition of 51% equity interest in Lianyungang Port Maintenance Engineering Co., Ltd. (連雲港港口維修工程有限公司) ("**Lianyungang Port Maintenance**") through public tender at Lianyungang Exchange Center. The Company was the successful bidder with the final bid price being RMB23,766,000. On 19 February 2025, the Company and Lianyungang Port Holdings Company Limited (連雲港港口集團有限公司) (the "**Vendor**") entered into a state-owned property rights transfer contract pursuant to which the Company agreed to purchase, and the Vendor agreed to sell, 51% equity interest in Lianyungang Port maintenance (the "**Sale Equity**"). According to the valuation of the Sale Equity by an independent valuer, as at 30 September 2024, the appraised value of the Sale Equity amounted to RMB23,766,000, which is equivalent to the consideration. The consideration was funded by the Net Proceeds (defined below).

The acquisition was a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 17 January 2025, 19 February 2025 and 11 March 2025. As at the date of this announcement, the property transfer has not been completed.

PROCEEDS FROM LISTING

The Company raised net proceeds from the Global Offering (including the proceeds from the partial exercise of the Over-allotment Option (as defined in the prospectus of the Company dated 10 August 2022, the "**Prospectus**")) in the amount of approximately HK$176.3 million (the "**Net Proceeds**").

The Board resolved to adjust the intended use and allocation of the Net Proceeds on 27 April 2023 such that the unutilized Net Proceeds in the amount of approximately HK$38.8 million from "strategic investments" and all the unutilized Net Proceeds in the amount of approximately HK$14.1 million from "investments in companies providing elderly care, nursing and medical services" under "expansion and diversification of value-added services" (i.e. a total of unutilized Net Proceeds of approximately HK$52.9 million) were re-allocated to fund the "acquisition of office building in Hong Kong for own use and leasing" under "acquisition". Details are set out in the Company's announcement dated 27 April 2023 (the "**2023 UOP Announcement**").

In addition, the Board has also resolved to re-allocate HK$52.9 million of the unutilized Net Proceeds from the subcategories of "Acquisition of office building in Hong Kong for own use and leasing" to fund a new subcategory of "Acquisition of the land in the PRC" under the major category of "Acquisition". Details the Company's announcement dated 29 April 2024 (the "**2024 UOP Announcement**").

The Company intends to utilise the Net Proceeds according to the plans set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus as amended in the manners set out in the 2023 UOP Announcement and the 2024 UOP Announcement.

An analysis of the utilization of the Net Proceeds as at 31 December 2024 is set out below:

Proposed use of Net Proceeds		Planned use of Net Proceeds as set out in the Prospectus *(HK$ million)*	Unutilised Net Proceeds after the revised allocation as stated in the 2023 UOP Announcement *(HK$ million)*	Unutilised Net Proceeds as of 1 January 2024 *(HK$ million)*	Utilised Net Proceeds before change in use on 29 April 2024 *(HK$ million)*	Unutilised Net Proceeds before change in use on 29 April 2024 *(HK$ million)*	Unutilised Net Proceeds after the revised allocation as stated in the 2024 UOP Announcement *(HK$ million)*	Net Proceeds utilised during the year ended 31 December 2024 *(HK$ million)*	Unutilised Net Proceeds as of 31 December 2024 *(HK$ million)*	Expected time of full utilisation
Major categories	**Sub-categories/Specific plans**									
Acquisitions	Acquisitions of other property management companies and companies providing city services and property management services	52.9	50.04	47.19	5.71	47.19	47.19	0	47.19	By 31 December 2025[1]
	Acquisition of office building in Hong Kong for own use and leasing	N/A	52.9	52.9	0	52.9	0	N/A	N/A	N/A
	Acquisition of the Land in the PRC	N/A	N/A	N/A	N/A	N/A	52.9	52.9	0	N/A
Strategic Investments	Investments in waste collection centers and companies providing operational and management services to waste collection centers	52.9	14.1	0	14.1	0	0	N/A	N/A	N/A
Expansion and diversification of value-added services	Establishment of the Group's own brand "Suxin Leju (蘇新樂居)" and launch of apartment management and operational services for housing for talents	26.4	26.4[2]	24.84	1.56	24.84	24.84	2.07	22.77	By 31 December 2025[2]
	Investments in companies providing elderly care, nursing and medical services	14.1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Technological investment	Investments in the Group's Technologies and Intelligent Operations	7.1	6.41	0.99	6.11	0.99	0.99	0.99	0	N/A
Talent Training and Retention		5.3	5.01	0	5.3	0	0	N/A	N/A	N/A
Working capital and other general corporate purposes		17.6	3.31	0	17.6	0	0	N/A	N/A	N/A
	Total	176.30	158.17	125.92	50.38	125.92	125.92	55.96	69.96	

Note:

(1) The expected time of full utilisation of the Net Proceeds for the acquisition of property management companies and companies providing city services and property management services is postponed from 31 December 2024 to 31 December 2025, as additional time is required by the Company to select the suitable target companies which align with the Group's business strategies and fulfill the criteria as set out in the Prospectus. In view of the downturn in the property industry in the PRC, the Group has adopted a more prudent approach in selection of its acquisition targets.

(2) On 1 January 2024, the Company has successfully entered into a government procurement contract with the Housing and Construction Bureau of Suzhou Hi-Tech District (Huqiu District) (the "**Housing Bureau**") in relation to the launch of management and operation services for housing for talents. Since then, the Group has been in active negotiation with the Housing Bureau in relation to the proposals for renovation of the housing for talents. However, as the negotiation is ongoing and the final proposal is not yet finalised, the expected timeline for full utilisation of the Net Proceeds for establishment of the Group's own brand "Suxin Leju (蘇新樂居)" and launch of apartment management and operational services for housing for talents was delayed from 31 December 2024 to 31 December 2025.

As of 31 December 2024, the Directors are not aware of any material change in the planned use of the Net Proceeds. The remaining Net Proceeds which had not been utilized were placed in short-term demand deposits with licensed financial institution. The unutilised Net Proceeds and the above timeline of intended utilization will be applied in the manners disclosed by the Company. However, the expected timeline for the unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group's business and the market conditions.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2024, the Group had a total of 1,833 full-time employees (31 December 2023: 1,647). For the year ended 31 December 2024, the staff cost recognised as expenses of the Group amounted to approximately RMB206.5 million (31 December 2023: approximately RMB174.0 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 of 31 December 2024, the Company had no share incentive schemes.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company aims to achieve high standards of corporate governance which are crucial to the development of the Group and would safeguard the interests of the Company's shareholders (the "**Shareholder(s)**").

During the year ended 31 December 2024, the Company has applied the principles of good corporate governance and complied with the code provisions set out in Part 2 of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**") save for the deviation from code provision B.2.2 as disclosed below:

Code provision B.2.2 of the Corporate Governance Code stipulates that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. As disclosed in the announcement of the Company dated 2 April 2024, the term of the first session of the Board and the supervisory committee of the Company (the "**Supervisory Committee**") expired on 15 April 2024. As the election of the new session of the Board and the Supervisory Committee was still in preparation at the relevant time, in order to ensure the continuity of the relevant work of the Company, the election of the new session of the Board and the Supervisory Committee had been postponed accordingly. The term of the directors of the first session of the Board and the term of the supervisors of the first session of the Supervisory Committee had been extended till the election of the second session of the Board and the Supervisory Committee at the annual general meeting of the Company for 2023 and the official date of term of office, and the term of each special committee of the Board and the Supervisory Committee has been extended correspondingly. As disclosed in the announcement of the Company dated 9 April 2024, the Company has completed the nomination of director candidates for the second session of the Board and supervisor candidates for the second session of the Supervisory Committee, and announced the list of director candidates for the second session of the Board and shareholder representative supervisor candidates for the second session of the Supervisory Committee. The list of candidates has been submitted to the annual general meeting of the Company for 2023 for consideration and approval by the Shareholders. The election of the new session of the Board and the Supervisory Committee have been approved at the annual general meeting of the Company convened and held on 14 June 2024. Since then, the Company has complied with code provision B.2.2 of the Corporate Governance Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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 own code of conduct for dealings in the securities of the Company by the Directors and supervisors of the Company.

Specific enquiry has been made of all the Directors and the supervisors of the Company and they have confirmed that they have complied with the then applicable Model Code during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF 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) during the year ended 31 December 2024.

As of 31 December 2024, the Group did not hold any treasury shares.

FINAL DIVIDEND

The Board has resolved to recommend the distribution of a final dividend in cash of RMB0.3602 per share of the Company (tax inclusive) for the year ended 31 December 2024 (31 December 2023: RMB0.3351 per share of the Company, tax inclusive). It is expected that the proposed final dividend, if approved by the Shareholders at the 2024 annual general meeting of the Company (the "**2024 AGM**"), will be paid on or before Tuesday, 12 August 2025.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules. The Audit Committee consists of three members, namely Ms. Xin Zhu, Ms. Li Xin and Mr. Liu Xin, with Ms. Xin Zhu, an independent non-executive Director having appropriate professional qualification, being the chairlady.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the annual financial results for the year ended 31 December 2024 and considers that the annual financial results are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

2024 AGM

The 2024 AGM will be convened and held on 13 June 2025. The notice of the 2024 AGM will be published on the Company's website (www.suxinfuwu.com) and the website of the Stock Exchange (www.hkexnews.hk) in the manner prescribed under the Listing Rules in due course.

Closure of Register of Members

(i) Attending the 2024 AGM

For the purpose of determining the Shareholders' entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Tuesday, 10 June 2025 to Friday, 13 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the Shareholders to attend and vote at the 2024 AGM, all the completed share transfer forms accompanied by the relevant share certificates 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 H shareholders) or to the registered office of the Company at Room 3001, 30/F, SND International Commerce Tower, 28 Shishan Road, Gaoxin District, Suzhou, Jiangsu Province, PRC (for domestic shareholders) no later than 4:30 p.m. on Monday, 9 June 2025 for registration. Shareholders whose names appear on the register of members of the Company on Friday, 13 June 2025 are entitled to attend and vote at the 2024 AGM.

(ii) Payment of the proposed final dividend

For the purpose of determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 19 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the Shareholders to be entitled to the proposed final dividend, all the completed share transfer forms accompanied by the relevant share certificates 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 H shareholders) or to the registered office of the Company at Room 3001, 30/F, SND International Commerce Tower, 28 Shishan Road, Gaoxin District, Suzhou, Jiangsu Province, PRC (for domestic shareholders) no later than 4:30 p.m. on Wednesdays, 18 June 2025 for registration. Shareholders whose names appear on the register of members of the Company on Thursday, 26 June 2025 are entitled to the proposed final dividend.

SCOPE OF WORK OF THE AUDITOR

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2024, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This announcement is published on the websites of the Company (www.suxinfuwu.com) and the Stock Exchange (www.hkexnews.hk). The 2024 annual report will be made available on the websites of the Company and the Stock Exchange as and when appropriate.

By order of the Board
Suxin Joyful Life Services Co., Ltd.
Mr. Cui Xiaodong
Chairman and executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Cui Xiaodong, Mr. Chen Mingdong and Mr. Zhou Jun as executive Directors; Ms. Li Xin, Mr. Cao Bin and Mr. Zhang Jun as non-executive Directors; and Ms. Zhou Yun, Ms. Xin Zhu and Mr. Liu Xin as independent non-executive Directors.

* *For identification purpose only*