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建業新生活有限公司

Central China New Life Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9983)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 amounted to RMB2,952.2 million, an increase of 3.8% compared with 2023.
- Gross profit for the year ended 31 December 2024 amounted to RMB640.7 million, a decrease of 15.4% compared with 2023. Gross profit margin for the year ended 31 December 2024 was 21.7%, a decrease of 4.9 percentage points compared with 2023.
- Net profit for the year ended 31 December 2024 amounted to RMB238.2 million, as compared with net loss of RMB577.9 million in 2023. Net profit margin for the year ended 31 December 2024 was 8.1%, as compared with net loss margin of 20.3% in 2023.
- Profit attributable to shareholders of the Company for the year ended 31 December 2024 amounted to RMB214.6 million, as compared with loss attributable to shareholders of RMB574.4 million in 2023.
- Core net profit attributable to the shareholders of the Company¹ for the year ended 31 December 2024 amounted to RMB294.0 million, as compared with RMB403.2 million in 2023.

- GFA under management reached 196.9 million sq.m. and contracted GFA reached 290.1 million sq.m. as of 31 December 2024, representing an increase of 8.3% and 0.7% respectively, as compared with those as of 31 December 2023.
- Basic earnings per share for the year ended 31 December 2024 was RMB0.17, as compared with basic loss per share of RMB0.45 in 2023.
- The Board resolved to recommend the declaration and payment of a final dividend of HK\$7.36 cents per share for the year ended 31 December 2024. Such final dividend is expected to be paid out of the Company's share premium account and is subject to shareholders' approval at the 2025 AGM.

(1) calculated based on profit/(loss) attributable to the shareholders of the Company, adjusted by the net impairment losses on financial and contract assets, fair value gains or losses from financial assets at fair value through profit or loss, share-based payments and related tax effect.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of Central China New Life Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 with comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

		Year ended 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Revenue	4	2,952,227	2,844,655
Cost of sales	5	<u>(2,311,489)</u>	<u>(2,087,563)</u>
Gross profit		640,738	757,092
Selling and marketing expenses	5	(16,238)	(17,866)
Administrative expenses	5	(187,009)	(197,831)
Net impairment losses on financial and contract assets		(74,907)	(1,222,352)
Other income		6,561	19,029
Other losses — net		<u>(9,337)</u>	<u>(34,099)</u>
Operating profit/(loss)		359,808	(696,027)
Finance cost — net		(868)	(430)
Share of net (loss)/profit of associates accounted for using the equity method		<u>(9)</u>	<u>282</u>
Profit/(loss) before income tax		358,931	(696,175)
Income tax (expenses)/credit	6	<u>(120,759)</u>	<u>118,269</u>
Profit/(loss) for the year		<u>238,172</u>	<u>(577,906)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

		Year ended 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Profit/(loss) for the year attributable to:			
— Shareholders of the Company		214,594	(574,369)
— Non-controlling interests		23,578	(3,537)
		<u>238,172</u>	<u>(577,906)</u>
Other comprehensive (expense)/income for the year, net of tax			
Items that may be reclassified to profit or loss			
— Currency translation differences		<u>(9,672)</u>	<u>1,818</u>
Total comprehensive income/(expense) for the year		<u>228,500</u>	<u>(576,088)</u>
Total comprehensive income/(expense) for the year attributable to:			
— Shareholders of the Company		204,922	(572,551)
— Non-controlling interests		23,578	(3,537)
		<u>228,500</u>	<u>(576,088)</u>
Earnings/(loss) per share for profit/(loss) attributable to the shareholders of the Company (expressed in RMB per share)			
— Basic	7	0.17	(0.45)
— Diluted	7	0.17	(0.45)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Assets			
Non-current assets			
Investments in associates		4,756	4,765
Property, plant and equipment	9	65,975	52,419
Intangible assets	10	231,986	251,893
Financial assets at fair value through profit or loss		–	3,835
Other receivables and prepayments	11	59,084	50,359
Deferred income tax assets		345,184	327,685
		<u>706,985</u>	<u>690,956</u>
Current assets			
Inventories		11,249	12,691
Contract assets		11,336	13,200
Trade and other receivables and prepayments	11	2,794,783	2,465,991
Financial assets at fair value through profit or loss		4,589	40,547
Restricted cash		7,871	7,137
Cash and cash equivalents		1,190,148	1,620,556
		<u>4,019,976</u>	<u>4,160,122</u>
Total assets		<u><u>4,726,961</u></u>	<u><u>4,851,078</u></u>
Equity			
Equity attributable to shareholders of the Company			
Share capital	12	11,527	11,538
Other reserves	13	584,868	958,607
Retained earnings		1,266,759	1,084,638
		<u>1,863,154</u>	<u>2,054,783</u>
Non-controlling interests		<u>126,219</u>	<u>107,566</u>
Total equity		<u><u>1,989,373</u></u>	<u><u>2,162,349</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Borrowings		52,000	27,000
Lease liabilities		6,299	9,899
Deferred income tax liabilities		21,817	33,522
Other payables	14	1,090	1,273
Contract liabilities		97,990	67,104
		<u>179,196</u>	<u>138,798</u>
Current liabilities			
Borrowings		–	25,000
Lease liabilities		8,661	5,945
Trade and other payables	14	1,359,425	1,384,284
Contract liabilities		863,676	758,678
Current income tax liabilities		326,630	376,024
		<u>2,558,392</u>	<u>2,549,931</u>
Total liabilities		<u>2,737,588</u>	<u>2,688,729</u>
Total equity and liabilities		<u>4,726,961</u>	<u>4,851,078</u>

NOTES

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 16 October 2018 as an exempted company with limited liability under the Companies Law CAP.22 of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 May 2020.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are principally engaged in provision of property management services, community value-added services and value-added services to non-property owners in the People's Republic of China (the "**PRC**"). The controlling shareholders of the Company are Enjoy Start Limited ("**Enjoy Start**"), a company incorporated under the laws of British Virgin Islands ("**BVI**") and Mr. Wu Po Sum (collectively "**Mr. Wu**" or the "**Controlling Shareholder**").

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

2 BASIS OF PREPARATION

(a) Compliance with HKFRS Accounting Standards and Hong Kong Company Ordinance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and interpretations) as issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value.

(c) Changes in accounting policies and disclosures

The Group has applied the following revised HKFRS Accounting Standards, amendments and interpretation for the first time for its annual reporting year commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current — Amendments to HKAS 1;
- Non-current liabilities with covenants — Amendments to HKAS 1;

- Presentation of Financial Statements — Classification by the Borrower of a Team Loan that Contains a Repayment on Demand Clause — Hong Kong Interpretation 5 (Revised);
- Lease Liability in Sale and Leaseback — Amendments to HKFRS 16; and
- Supplier Finance Arrangements — Amendments to HKAS 7 and HKFRS 7.

The above revised HKFRS Accounting Standards did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) Issued but not effective HKFRS Accounting Standards

The Group has not adopted the following new and revised HKFRS Accounting Standards that have been issued but not yet effective, in these consolidated financial statements. These new and revised standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvement to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

3 SEGMENT INFORMATION

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

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

The Group mainly operates its businesses in the PRC and earns substantially all of the revenue from external customers attributed to the PRC. As at 31 December 2024 and 2023, substantially all of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

4 REVENUE

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major service lines:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Property management and related services	2,493,824	2,185,943
Installation and decoration services	85,983	272,177
Sales of goods	277,290	241,388
Consulting services and commercial property management income	38,878	91,402
Commission income	21,886	36,403
Others	34,366	17,342
	<u>2,952,227</u>	<u>2,844,655</u>
Timing of revenue recognition		
— over time	2,514,263	2,444,914
— at a point in time	437,964	399,741
	<u>2,952,227</u>	<u>2,844,655</u>

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

5 EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Employee benefit expenses	615,453	548,091
Security charges	467,299	406,402
Greening and cleaning expenses	506,496	403,511
Construction and installation costs	72,961	231,599
Cost of goods sold	278,772	223,537
Utilities	227,104	188,319
Maintenance costs	131,308	98,644
Depreciation and amortisation charges (Note 9 and 10)	43,668	48,822
Professional service fees	40,840	37,292
Office expenses	24,697	22,138
Traveling and entertainment expenses	10,618	14,500
Taxes and other levies	12,029	8,652
Auditor's remuneration	2,960	6,500
Others	80,531	65,253
	<u>2,514,736</u>	<u>2,303,260</u>

6 INCOME TAX EXPENSES/(CREDIT)

Overseas income tax

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

Hong Kong profits tax

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong for the year ended 31 December 2024 and 2023.

PRC withholding income tax

According to the Corporate Income Tax Law of the PRC (the "CIT Law"), starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower of 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty arrangements between the PRC and Hong Kong.

For the year ended 31 December 2024 and 2023, the immediate holding company of the PRC subsidiaries of the Group became qualified as Hong Kong resident enterprises and has been fulfilling the requirements under the tax treaty arrangements between the PRC and Hong Kong. Therefore 5% withholding tax rate has been applied.

PRC corporate income tax

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

The general corporate income tax rate in the PRC is 25% according to the CIT Law effective on 1 January 2008. Four subsidiaries of the Group are qualified as “High and New Technology Enterprise” and can enjoy a preferential income tax rate of 15% (2023:15%). Certain of the Group’s subsidiaries enjoy the preferential income tax treatment for Small and Micro Enterprise with the income tax rate of 20% and are eligible to have their tax calculated based on 12.5% or 25% of their taxable income.

	Year ended 31 December	
	2024	2023
	RMB’000	RMB’000
Current income tax		
— PRC corporate income tax	129,963	143,238
— PRC withholding income tax	20,000	12,500
Deferred income tax		
— PRC corporate income tax	<u>(29,204)</u>	<u>(274,007)</u>
Income tax expenses/(credit)	<u>120,759</u>	<u>(118,269)</u>

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group entities as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) before income tax	<u>358,931</u>	<u>(696,175)</u>
Tax charge at effective rate applicable to profits in the respective group entities	91,556	(134,894)
Tax effects of:		
— Additional tax deductions for research and development costs	(1,396)	(2,546)
— Tax losses and deductible temporary differences for which no deferred income tax asset was recognised	6,019	2,856
— Expenses not deductible for tax purposes	2,101	1,715
— Share-based compensation	2,611	2,304
— Additional tax deductions for salaries for the disabled hiring	(132)	(133)
— Associates' results reported net of tax	–	(71)
— Withholding tax	<u>20,000</u>	<u>12,500</u>
Income tax expenses/(credit)	<u>120,759</u>	<u>(118,269)</u>

The effective income tax rate was 26% and 19% excluding the effect of withholding tax for the years ended 31 December 2024 and 2023, respectively.

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2024 and 2023 (excluding treasury shares (Note 13 (b))).

	Year ended 31 December	
	2024	2023
Profit/(loss) attributable to shareholders of the Company (<i>RMB'000</i>)	<u>214,594</u>	<u>(574,369)</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>1,280,814</u>	<u>1,277,907</u>
Basic earnings/(loss) per share attributable to shareholders of the Company during the year (expressed in RMB per share)	<u>0.17</u>	<u>(0.45)</u>

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from share options granted by the Company.

For the years ended 31 December 2024 and 2023, the Company has one category of potentially dilutive shares, share base payments. The calculation for share base payments is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the purchase price of the awarded shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share base payments. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings/(loss) per share.

	Year ended 31 December	
	2024	2023
Profit/(loss) attributable to shareholders of the Company (<i>RMB'000</i>)	<u>214,594</u>	<u>(574,369)</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	1,280,814	1,277,907
Adjustments for share award (<i>'000</i>) (<i>Note</i>)	<u>18,462</u>	<u>–</u>
Weighted average number of ordinary shares for the calculation of diluted earnings per share (<i>'000</i>)	<u>1,299,276</u>	<u>1,277,907</u>
Diluted earnings/(loss) per share attributable to shareholders of the Company during the year (expressed in RMB per share)	<u>0.17</u>	<u>(0.45)</u>

Note: As the Group incurred loss for the year ended 31 December 2023, the 21,800,000 shares award granted and remained unvested and 540,000 options granted and remained unexercised are not included in the calculation of diluted loss per share as their inclusion would be antidilutive. These share award and options could potentially dilute basic earnings per share in the future.

8 DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Special dividend paid (<i>Note (a)</i>)	286,262	–
Interim dividend paid (<i>Note (b)</i>)	125,698	103,089
Final dividend paid (<i>Note (c)</i>)	–	223,172
	<u>411,960</u>	<u>326,261</u>

Notes:

- (a) A special dividend in respect of the year ended 31 December 2023 of HK\$0.2410 per ordinary share, approximately HK\$313,427,000 (equivalent to RMB286,262,000) was declared by the Board and approved by the Company's Shareholders at the Annual General Meeting held on 28 June 2024. The special dividend has been distributed out of the Company's share premium and paid in cash.
- (b) An interim dividend in respect of six months ended 30 June 2024 of HK\$0.1059 per ordinary share, approximately HK\$137,726,000 (equivalent to RMB125,698,000) was proposed by the Board at the Board Meeting held on 26 August 2024. The interim dividend has been distributed out of the Company's share premium and paid in cash during the year ended 31 December 2024.

An interim dividend in respect of six months ended 30 June 2023 of HK\$0.0871 per ordinary share, approximately HK\$113,275,000 (equivalent to RMB103,089,000) was proposed by the Board at the Board Meeting held on 21 August 2023. The interim dividend has been distributed out of the Company's share premium account and paid in cash during the year ended 31 December 2023.

- (c) A final dividend in respect of year ended 31 December 2022 of HK\$0.1910 per ordinary share, approximately HK\$243,998,000 (equivalent to RMB223,172,000) was declared by the board and approved by the Company's Shareholders at the Annual General Meeting held on 11 May 2023. The final dividend has been distributed out of the Company's share premium and paid in cash.
- (d) A final dividend in respect of year ended 31 December 2024 of HK\$0.0736 per ordinary share have been proposed by the board of directors of the Company and are subject to the approval of the shareholders at the Annual General Meeting to be held on 2 June 2025. The final dividend will be distributed out of the Company's share premium. These consolidated financial statements have not reflected these dividends payable.
- (e) The Board did not propose any final dividend for the year ended 31 December 2023.

9 PROPERTY, PLANT AND EQUIPMENT

	Equipment and furniture	Machinery	Vehicles	Right-of- use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2023					
Opening net book amount	16,708	12,949	6,348	15,017	51,022
Additions	6,539	3,085	3,181	19,004	31,809
Disposals	(51)	(56)	(714)	(531)	(1,352)
Depreciation charge	(10,840)	(4,874)	(2,477)	(10,735)	(28,926)
Currency translation	–	–	–	(134)	(134)
Closing net book amount	<u>12,356</u>	<u>11,104</u>	<u>6,338</u>	<u>22,621</u>	<u>52,419</u>
As at 31 December 2023					
Cost	67,556	26,484	17,053	88,224	199,317
Accumulated depreciation	<u>(55,200)</u>	<u>(15,380)</u>	<u>(10,715)</u>	<u>(65,603)</u>	<u>(146,898)</u>
Net book amount	<u><u>12,356</u></u>	<u><u>11,104</u></u>	<u><u>6,338</u></u>	<u><u>22,621</u></u>	<u><u>52,419</u></u>
Year ended 31 December 2024					
Opening net book amount	12,356	11,104	6,338	22,621	52,419
Additions	4,269	2,207	1,906	33,309	41,691
Disposals	–	(27)	(8)	(4,730)	(4,765)
Depreciation charge	(7,394)	(4,821)	(3,033)	(7,973)	(23,221)
Currency translation	–	–	–	(149)	(149)
Closing net book amount	<u>9,231</u>	<u>8,463</u>	<u>5,203</u>	<u>43,078</u>	<u>65,975</u>
As at 31 December 2024					
Cost	71,825	28,224	18,645	114,574	233,268
Accumulated depreciation	<u>(62,594)</u>	<u>(19,761)</u>	<u>(13,442)</u>	<u>(71,496)</u>	<u>(167,293)</u>
Net book amount	<u><u>9,231</u></u>	<u><u>8,463</u></u>	<u><u>5,203</u></u>	<u><u>43,078</u></u>	<u><u>65,975</u></u>

As at 31 December 2024 and 2023, no property, plant and equipment is restricted or pledged as security for borrowings.

10 INTANGIBLE ASSETS

	Goodwill <i>RMB'000</i>	Platform and know- how <i>RMB'000</i>	Order- Backlog and customer relationship <i>RMB'000</i>	Software and others <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2023					
Opening net book amount	114,589	27,881	119,778	8,833	271,081
Additions	–	–	–	708	708
Amortisation	–	(3,648)	(14,947)	(1,301)	(19,896)
Closing net book amount	<u>114,589</u>	<u>24,233</u>	<u>104,831</u>	<u>8,240</u>	<u>251,893</u>
As at 31 December 2023					
Cost	137,085	38,027	151,608	15,298	342,018
Accumulated amortisation and impairment	<u>(22,496)</u>	<u>(13,794)</u>	<u>(46,777)</u>	<u>(7,058)</u>	<u>(90,125)</u>
Net book amount	<u><u>114,589</u></u>	<u><u>24,233</u></u>	<u><u>104,831</u></u>	<u><u>8,240</u></u>	<u><u>251,893</u></u>
Year ended 31 December 2024					
Opening net book amount	114,589	24,233	104,831	8,240	251,893
Additions	–	–	–	540	540
Amortisation	–	(3,935)	(14,945)	(1,567)	(20,447)
Closing net book amount	<u><u>114,589</u></u>	<u><u>20,298</u></u>	<u><u>89,886</u></u>	<u><u>7,213</u></u>	<u><u>231,986</u></u>
As at 31 December 2024					
Cost	137,085	38,027	151,608	15,838	342,558
Accumulated amortisation and impairment	<u>(22,496)</u>	<u>(17,729)</u>	<u>(61,722)</u>	<u>(8,625)</u>	<u>(110,572)</u>
Net book amount	<u><u>114,589</u></u>	<u><u>20,298</u></u>	<u><u>89,886</u></u>	<u><u>7,213</u></u>	<u><u>231,986</u></u>

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (<i>Note (a)</i>)		
— Related parties	1,640,198	1,694,099
— Third parties	<u>1,686,451</u>	<u>1,277,318</u>
	3,326,649	2,971,417
Note receivables	–	244
Less: allowance for impairment of trade receivables	<u>(1,364,627)</u>	<u>(1,307,882)</u>
	<u>1,962,022</u>	<u>1,663,779</u>
Other receivables		
— Deposits (<i>Note (c)</i>)	464,917	565,412
— Amounts due from related parties	140,121	132,542
— Loans to third parties (<i>Note (b)</i>)	55,870	55,153
— Utilities	55,910	30,093
— Amounts due from the non-controlling interests of subsidiaries	3,506	5,920
— Others	<u>57,087</u>	<u>13,360</u>
	777,411	802,480
Less: allowance for impairment of other receivables	<u>(124,987)</u>	<u>(107,860)</u>
	<u>652,424</u>	<u>694,620</u>
Prepayments		
— Security charges and cleaning expenses	198,077	117,597
— Others	<u>41,344</u>	<u>40,354</u>
	<u>239,421</u>	<u>157,951</u>
Total	<u>2,853,867</u>	<u>2,516,350</u>
Less: non-current portion of other receivables and prepayments	<u>(59,084)</u>	<u>(50,359)</u>
Current portion of trade and other receivables and prepayments	<u><u>2,794,783</u></u>	<u><u>2,465,991</u></u>

Notes:

- (a) Trade receivables mainly arise from property management services and related value-added services.

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

The related value-added services to property developers are usually due for payment upon the issuance of document of settlement.

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Less than 1 year	1,221,935	954,885
1 to 2 years	555,280	1,425,763
2 to 3 years	1,075,687	487,991
3 to 4 years	392,699	69,592
Over 4 years	81,048	33,186
	<u>3,326,649</u>	<u>2,971,417</u>

As at 31 December 2024 and 2023, trade and other receivables were mainly denominated in RMB.

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

- (b) As at 31 December 2024, the Group provided loans to third parties totally amounted to RMB55,870,000 (2023: RMB55,153,000), which bear interest rates ranging from 4.25% to 12% (2023: 5.6% to 12%) per annum. Of this amount, RMB3,870,000, RMB25,000,000 and RMB27,000,000 will mature within one year, two years and three years, respectively (2023: all loans were due within two years).
- (c) During the year ended 31 December 2024, the Group, through its subsidiaries, entered into several Exclusive Property Sales Agency Services Agreements with various independent third-party property developers. These agreements granted the Group exclusive rights to market and sell residential units, parking spaces, and retail outlets developed by these third parties. Under the terms of these agreements, the Group was required to place deposits to guarantee performance and adherence to the exclusivity provisions of the agreements. Such deposits are unsecured and refundable upon the termination or expiry of the agreements.

During the year ended 31 December 2024 and 2023, the Group executed sales transactions under these agreements. Revenue was recognised based of the corresponding margins, which were derived from the difference between the selling prices of the properties and their baseline values as agreed in the agreements.

12 SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000	Equivalent share capital RMB'000
Authorised			
As at 31 December 2023 and 2024	<u>5,000,000,000</u>	<u>50,000</u>	<u>42,795</u>
Issued			
As at 1 January 2023	1,278,726,000	12,408	11,337
Issue of shares in connection with 2023 Share Award Scheme (<i>Note</i>)	<u>21,800,000</u>	<u>218</u>	<u>201</u>
As at 31 December 2023	<u>1,300,526,000</u>	<u>12,626</u>	<u>11,538</u>
As at 1 January 2024	1,300,526,000	12,626	11,538
Cancellation of shares (<i>Note 13(b)</i>)	<u>(1,250,000)</u>	<u>(12)</u>	<u>(11)</u>
As at 31 December 2024	<u>1,299,276,000</u>	<u>12,614</u>	<u>11,527</u>

Note: Represented issue of 21,800,000 ordinary shares on 8 September 2023 with nominal value of HK\$0.01 per share to the appointed trustee of the Company pursuant to the 2023 Share Award Scheme.

13 OTHER RESERVES

	Share premium RMB'000	Treasury shares RMB'000	Capital reserves RMB'000	Employee share-based compensation reserves RMB'000	Statutory reserves RMB'000	Foreign currency translation RMB'000	Total other reserves RMB'000
Balance at 1 January 2023	1,086,360	-	81,023	259	183,043	(112,606)	1,238,079
Share award scheme-value of employee services	-	-	-	13,964	-	-	13,964
Issue of shares in connection with 2023 Share Award Scheme	-	(201)	-	-	-	-	(201)
Repurchase of shares of the Company (Note (b))	-	(2,933)	-	-	-	-	(2,933)
Currency translation differences	-	-	-	-	-	1,818	1,818
Dividend distribution to shareholders (Note 8)	(326,261)	-	-	-	-	-	(326,261)
Appropriation of statutory reserves (Note (a))	-	-	-	-	34,141	-	34,141
Balance at 31 December 2023	<u>760,099</u>	<u>(3,134)</u>	<u>81,023</u>	<u>14,223</u>	<u>217,184</u>	<u>(110,788)</u>	<u>958,607</u>
Balance at 1 January 2024	760,099	(3,134)	81,023	14,223	217,184	(110,788)	958,607
Share award scheme-value of employee services	-	-	-	15,824	-	-	15,824
Vesting of awarded shares	11,400	52	-	(11,452)	-	-	-
Cancellation of shares (Note (b))	(2,922)	2,933	-	-	-	-	11
Currency translation differences	-	-	-	-	-	(9,672)	(9,672)
Dividend distribution to shareholders (Note 8)	(411,960)	-	-	-	-	-	(411,960)
Appropriation of statutory reserves (Note (a))	-	-	-	-	32,058	-	32,058
Balance at 31 December 2024	<u>356,617</u>	<u>(149)</u>	<u>81,023</u>	<u>18,595</u>	<u>249,242</u>	<u>(120,460)</u>	<u>584,868</u>

(a) PRC statutory reserves

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

(b) Treasury shares

	As at 31 December			
	2024		2023	
	Number of treasury shares	Amounts <i>RMB'000</i>	Number of treasury shares	Amounts <i>RMB'000</i>
At the beginning of the year	23,050,000	3,134	–	–
Share issued and held by a trustee under 2023 Share Award Scheme	–	–	21,800,000	201
Share transferred to and held by directors and certain employees under 2023 Share Award Scheme	(5,640,000)	(52)	–	–
Shares repurchased (i)	–	–	1,250,000	2,933
Shares cancelled (i)	(1,250,000)	(2,933)	–	–
At the end of the year	<u>16,160,000</u>	<u>149</u>	<u>23,050,000</u>	<u>3,134</u>

- (i) The Company repurchase 1,250,000 shares of its own ordinary shares during the year ended 31 December 2023. The total purchased consideration was approximately HK\$3,316,000 (equivalent to RMB2,933,000) and was recognised as treasury shares in other reserves. These shares were cancelled by the Company during the year ended 31 December 2024. Accordingly, the issued share capital and share premium were reduced by the amount of the shares cancelled.

14 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables (<i>Note (a)</i>)		
— Related parties	13,776	35,693
— Third parties	<u>559,772</u>	<u>568,973</u>
	<u>573,548</u>	<u>604,666</u>
Other payables		
— Deposits	234,964	301,973
— Amounts due to related parties (<i>Note (b)</i>)	21,711	16,085
— Payables for acquisition of subsidiaries	4,905	41,135
— Other third parties	<u>276,018</u>	<u>213,128</u>
	<u>537,598</u>	<u>572,321</u>
Accrued payroll	162,671	126,212
Other taxes payables	<u>86,698</u>	<u>82,358</u>
	<u>1,360,515</u>	<u>1,385,557</u>
Less: non-current portion of other payables	<u>(1,090)</u>	<u>(1,273)</u>
Current portion of trade and other payables	<u><u>1,359,425</u></u>	<u><u>1,384,284</u></u>

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

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

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Less than 1 year	427,004	395,136
1 to 2 years	37,214	120,183
2 to 3 years	66,193	58,877
Over 3 year	<u>43,137</u>	<u>30,470</u>
	<u><u>573,548</u></u>	<u><u>604,666</u></u>

(b) The amounts due to related parties were unsecured, interest-free and repayable on demand.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract from a report of Prism Hong Kong Limited (“**Prism**”), an independent auditor, on the Group’s consolidated financial statements for the year ended 31 December 2024.

Opinion

In Prism’s opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BUSINESS REVIEW

Over the years, the Group is dedicated to providing services to clients to meet their diverse needs. Our business now consists of three major business lines, including property management services, community value-added services and value-added services to non-property owners. For the year ended 31 December 2024, the Group continuously optimised its income structure. During the year ended 31 December 2024, the Group’s revenue amounted to RMB2,952.2 million, representing an increase of 3.8% as compared with that of RMB2,844.7 million for the year ended 31 December 2023. Net profit was RMB238.2 million, as compared to net loss of RMB577.9 million for the year ended 31 December 2023.

Property management services: The Group has been providing traditional property management services such as security, cleaning, maintenance and greening services since 1994. In 2024, the Group continued to strengthen the quality of its property services, enhance the service experience of owners, and provide refined, precise and people-oriented services around the “security, cleaning, landscaping, warranty and customer services”. We strive to provide owners with a higher-quality, more comfortable and sustainable living environment, to truly care for the owners and serve the owners. As at 31 December 2024, the Group’s property management services covered all 18 prefecture-level cities in Henan province as well as multiple provinces and cities such as Hebei Province, and the Group served more than 2.6 million property owners and residents in 1,121 properties. The Group manages a diversified portfolio of properties, including residential and commercial properties, office buildings, themed towns, rural complexes, schools, parks, the “Three Supplies and Property

Management” project, urban services and industrial parks. As at 31 December 2024, the GFA under management and contracted GFA reached 196.9 million sq.m. and 290.1 million sq.m. respectively, representing a respective growth of 8.3% and 0.7% as compared with those as at 31 December 2023.

Community value-added services: In terms of community value-added services, the Group integrates resources and builds platforms to fulfil its mission of providing diversified living services based on customers’ needs. Focusing on the entire process of customers from property acquisition to moving in to their daily lives, the Group extends relevant service offerings, and gradually perfects the online and offline scenes to continuously improve customer satisfaction and enhance the value of its services. Community value-added services include the provision of smart community solutions by the Group to property developers and residents for the creation of modern, interactive and intelligent environments within the community. In addition, the Group focuses on online platform operation and offline scenario-based community retailing. Through the Jianye+ platform online, the Group focuses on product categories based on customer needs to create a localised living platform of Central China that is “nice to look at, fun to play, and easy to use”, and to build a new retail business system for the Jianye+ community in an all-round way. At the same time, the Group integrates high quality resources to provide owners with one-stop whole-house renovation, basic decoration, balcony sealing services, etc., to meet the expectations of owners in the new lifestyle of home services, providing owners with time-saving, worry-saving, energy-saving, money-saving, trouble-saving new experience services, to create a happy home life for owners. During the year ended 31 December 2024, the Group established a new arena, i.e. “property + group catering”, providing a variety of community catering services such as “community canteens, convenient food trucks and special products” to satisfy the owners’ diverse catering demands. The Group also provides group catering services and canteen operation solutions to government agencies, corporations, public institutions, and other entities by integrating high quality catering resources.

Value-added services to non-property owners: The Group’s value-added services to non-property owners focus on enhancing the value of properties by meeting customers’ requirements through professional services. Value-added services to non-property owners include early intervention services, that is, according to the industry management and customer requirements, upon accepting an entrustment for product development, we will participate in the whole process of it, such as project design, construction, marketing, acceptance, delivery and repair, and put forward rationalisation proposals from the perspective of customers, developers and properties, so as to maximise the customers’ satisfaction to products to meet their needs and facilitate the use of customers in the later stage and the operation of the property, and thus enhance the brand image of the real estate and the customer’s loyalty. In addition, with the service concept of “Dignity — Perfection”, the

Group, relying on years of service experience, defines the new standard of the industry with craftsmanship and continues to optimise and innovate its service model, covering five high-end service scenes, namely, sales sites, 4S flagship stores, high-end clubs, exhibitions and medical check-up centres, with tailor-made service solutions to satisfy the diverse needs of its partners.

OUTLOOK

In the context of China's economic situation, characterised by "wave-like development and zigzagging progress", the property management industry is undergoing continuous change and development. As a result, a focus on service quality has emerged as a key industry trend. In the second half of the year, with the frequent introduction of favourable policies, the industry is expected to gradually return to normal development. As the market and industry undergo adjustments, brand identity and service quality will increasingly become the core elements of industry competition. The Group will continue to strengthen the quality of basic services while accelerating the development of diversified offerings. Additionally, it will enhance digital empowerment, boost brand building, foster craftsmanship and diligence, optimise organizational structure to increase effectiveness, and demonstrate new development prospects through new standards, strategies, and a fresh outlook.

The Group will be committed to implementing the following key strategic measures in 2025:

I. Insisting on regional focus strategy and high-quality expansion

Based on the macroeconomic situation and industry landscape, we will pinpoint high-potential areas and insist on in-depth localisation. We aim to achieve both growth in scale and efficiency by strengthening investment and expansion in niche segments via an innovative cooperation model.

At the same time, we will fully optimise our market expansion mechanism, establish a measurable market evaluation and control mechanism, with continuous focus on high-quality investment and expansion targets.

II. Deepening innovation in basic and lifestyle service models to create a second growth curve

With the needs of property owners in mind, we are integrating basic and lifestyle services to create a full-scene service ecosystem and unlock new sources of profitable growth. As key components of our operating system, basic services provide a solid foundation, while

lifestyle services add value by focusing on upgrading property services and fostering neighbourhood socialization. We will concentrate on sustainable, high-quality businesses, continue our business expansion, deepen our product ecosystem and supply chain collaboration, and drive endogenous growth.

III. Upgrading property service models through technology to reduce costs and increase efficiency

Leveraging cutting-edge technology, the Company will realise intelligent operation management and digital service processes to comprehensively improve operation efficiency and service quality. We will actively embrace AI-driven changes and deepen AI-property reform by reorganizing service processes through AI technology, transitioning from experience-based to data intelligence-powered property management.

IV. Cultural leadership to create differentiated brands

Leveraging the Company's unique cultural DNA, we are committed to broadly disseminating brand values while developing a series of community-focused cultural activity brands to enhance the loyalty of our basic customer group. At the same time, we will utilise community networks to foster a strong cultural atmosphere, cultivating a highly loyal brand with an exceptional customer experience.

FINANCIAL REVIEW

Revenue

The Group is principally engaged in the provision of property management services and related value-added services. For the year ended 31 December 2024, the Group recorded a revenue of RMB2,952.2 million (2023: RMB2,844.7 million), representing a year-on-year increase of 3.8%. The revenue of the Group were generated from three main business lines: (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners.

The following table sets forth a breakdown of the Group's revenue from each business line during the years indicated.

	For the year ended 31 December			
	2024		2023	
	Revenue		Revenue	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	2,298,829	77.9	1,992,212	70.0
Community value-added services	544,757	18.4	658,915	23.2
Value-added services to non-property owners	108,641	3.7	193,528	6.8
Total/Overall	<u>2,952,227</u>	<u>100.0</u>	<u>2,844,655</u>	<u>100.0</u>

Property Management Services

During the year, the revenue from our property management services amounted to RMB2,298.8 million (2023: RMB1,992.2 million), representing a year-on-year increase of 15.4%. Such increase was aligned with an increase in total GFA under management of the Group.

As of 31 December 2024, the total GFA under management of the Group was 196.9 million sq.m., representing an increase of 15.0 million sq.m. or 8.3% as compared with that as of 31 December 2023. The increase in GFA under management of the Group was primarily driven by securing more new projects, particularly from third-party property developers. During the year, the average property management fee rate charged by the Group at approximately RMB1.75 per sq.m./month (2023: RMB1.74 per sq.m./month), which was in line with the previous year.

The table below sets out the breakdown of our total GFA under management for our property management services attributable to the properties developed by Central China Real Estate Limited (“CCRE”) and its subsidiaries (the “CCRE Group”) (and its associates or joint ventures) and third-party property developers as at the dates indicated.

	As at 31 December 2024		As at 31 December 2023	
	GFA		GFA	
	'000 sq.m.	%	'000 sq.m.	%
The CCRE Group and its associates or joint ventures	78,340	39.8	74,158	40.8
Third-party property developers	118,533	60.2	107,685	59.2
Total	196,873	100.0	181,843	100.0

Community Value-Added Services

The Group provides a range of community value-added services, primarily including intelligent community solutions, in-park sales, turnkey and move-in furnishing and lifestyle services. During the year, revenue from community value-added services amounted to RMB544.8 million (2023: RMB658.9 million), representing a year-on-year decline of 17.3%. This decrease was mainly attributable to the decrease in revenue from intelligent community solutions by RMB163.5 million as a result of the lower number of housing deliveries. In response to the decline in revenue from intelligent community solutions, the Group focused on value-added community services this year to broaden the service boundary and meet the diversified needs of property owners. During the year, revenue from in-park sales amounted to RMB268.9 million (2023: RMB190.7 million), representing a year-on-year increase of 41.0%.

Value-Added Services to Non-Property Owners

The Group provides a range of value-added services to non-property owners, primarily including pre-launch intermediary services and on-site management. During the year, revenue from value-added services to non-property owners amounted to RMB108.6 million (2023: RMB193.5 million), representing a year-on-year decrease of 43.9%. This decrease was mainly attributable to the ongoing adjustments in the real estate industry, leading the Group to proactively make business adjustment to scale down its value-added services to non-property owners, of which the revenue from pre-launch intermediary services and on-site management decreased by RMB41.7 million.

Cost of Sales

The Group's cost of sales primarily consists of employee benefit expenses, greening and cleaning expenses, cost of goods sold, utilities, maintenance business costs, construction costs, professional service fees, security charges, depreciation and amortisation charges, travelling and entertainment expenses, office expenses, taxes and other levies and other costs.

During the year, cost of sales of the Group amounted to RMB2,311.5 million (2023: RMB2,087.6 million), representing a year-on-year increase of 10.7%. This increase was mainly due to the increased scale of sales and the increased cost of high quality services to improve customer satisfaction.

Gross Profit and Gross Profit Margin

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

	For the year ended 31 December			
	2024		2023	
	Gross profit	Gross profit	Gross profit	Gross profit
	margin	margin	margin	margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	488,886	21.3	496,188	24.9
Community value-added services	130,066	23.9	202,710	30.8
Value-added services to non-property owners	21,786	20.1	58,194	30.1
Total	640,738	21.7	757,092	26.6

During the year, the gross profit of the Group was RMB640.7 million (2023: RMB757.1 million), representing a year-on-year decrease of 15.4%. This decrease in gross profit was mainly due to the decrease in gross profit of value-added services. The gross profit margin of the Group decreased from approximately 26.6% as of 31 December 2023 to approximately 21.7% as of 31 December 2024, representing year-on-year decrease of 4.9 percentage points. Such decrease in gross profit margin was mainly due to the decrease in gross profit margin of property management services.

The gross profit margin of property management services decreased by 3.6 percentage points from approximately 24.9% as of 31 December 2023 to approximately 21.3% as of 31 December 2024, which was mainly attributable to the increased cost of high quality services to enhance customer satisfaction.

The gross profit margin of community value-added services of the Group decreased to approximately 23.9% as of 31 December 2024 from approximately 30.8% as of 31 December 2023. This decrease was mainly due to a change in revenue structure, particularly a decrease in higher-margin revenues (such as smart community solutions).

The gross profit margin of value-added services to non-property owners decreased to approximately 20.1% as of 31 December 2024 from approximately 30.1% as of 31 December 2023. This decrease was mainly due to a decline in higher-margin revenues (such as pre-launch intermediary services) resulting from the scaling down of the Group's value-added services to non-property owners.

Selling and Marketing Expenses

During the year, the selling and marketing expenses of the Group amounted to RMB16.2 million, representing a decrease of 9.1% as compared with RMB17.9 million in 2023. This decrease was mainly attributable to a cautious approach to the business environment, with stringent control of various expenses, resulting in cost reduction and efficiency improvement. During the year, the selling and marketing expenses of the Group accounted for approximately 0.6% of the revenue, which was the same as that in 2023.

Administrative Expenses

During the year, the administrative expenses of the Group amounted to RMB187.0 million, representing a decrease of 5.5% as compared with RMB197.8 million in 2023, and accounting for approximately 6.3% of the revenue, which was decrease of 0.7 percentage points from 2023. This decrease was mainly attributable to the stringent expenditure control, leading to cost reduction and efficiency improvement.

Net Impairment Losses on Financial and Contract Assets

During the year, the net impairment losses on financial and contract assets of the Group amounted to RMB74.9 million (2023: RMB1,222.4 million), representing a decrease of 93.9% as compared to the previous year. This decline was mainly due to no significant change in credit risk during the year, compared to the downturn in the real estate industry for the previous year, which triggered a liquidity crisis and significant increase in the credit risk of receivables from real estate developers.

Other Income

During the year, other income of the Group amounted to RMB6.6 million (2023: RMB19.0 million), representing a decrease of 65.5% as compared to the previous year. This decrease was mainly due to a reduction in government grants received.

Other Losses — Net

During the year, the net other losses of the Group amounted to RMB9.3 million (2023: RMB34.1 million), which was mainly due to the increase in the fair value of the US dollar-denominated bonds held by the Group during the year, compared to a decrease in their fair value for the previous year.

Income Tax (Expenses)/Credit

During the year, the Group's income tax expenses amounted to RMB120.8 million (2023: income tax credit of RMB118.3 million) and the income tax rate for the year was 33.6% (2023: 17.0%). This increase was mainly due to a significant decrease in the provision for credit impairment loss, resulting in a turnaround for the Group.

Profit/(Loss)

During the year, the Group recorded a net profit of RMB238.2 million (2023: net loss of RMB577.9 million). The net profit ratio was 8.1% (2023: net loss margin of 20.3%), the turnaround was mainly due to the decrease in net impairment losses on financial and contract assets during the year. The profit attributable to shareholders of the Company for the year amounted to RMB214.6 million (2023: loss attributable to shareholders of RMB574.4 million). Excluding the net impairment losses on financial and contract assets, fair value gains or losses from financial assets at fair value through profit or loss, share-based payments and related income tax effect, the core net profit attributable to owners of the Company for the year was approximately RMB294.0 million, as compared to that of approximately RMB403.2 million in 2023. This decrease in the core net profit attributable to owners of the Company was mainly attributable to the Group's proactive business adjustment to its value-added services in response to the ongoing adjustments in the real estate industry and a reduced number of housing deliveries, leading to a scale-down of value-added services, especially those for smart community solutions and non-property owner value-added services with property developers. Basic earnings per share amounted to RMB0.17 (2023: basic loss per share amounted to RMB0.45).

Financial Resources Management and Capital Structure

We have adopted comprehensive treasury policies and internal control measures to review and monitor our financial resources. As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately RMB1,190.1 million (31 December 2023: approximately RMB1,620.6 million). As at 31 December 2024, the Group's bank borrowings amounted to RMB52.0 million (31 December 2023: RMB52.0 million). For the year ended 31 December 2024, the Board has recommended to declare, subject to shareholders' approval at the 2025 AGM (as defined below), a final dividend of approximately RMB88.3 million in total to the shareholders of the Company. Such final dividend is expected to be paid out of the Company's share premium account. The final dividend is proposed to be paid on or around Wednesday, 25 June 2025 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 11 June 2025.

The gearing ratio is calculated as total borrowings divided by total equity, and the sum of long-term and short-term interest bearing bank loans and other loans as of the corresponding date divided by the total equity as of the same date. As of 31 December 2024, the gearing ratio was 2.6% (31 December 2023: 2.4%).

Trade and Other Receivables and Prepayments

As at 31 December 2024, trade and other receivables and prepayments amounted to RMB2,853.9 million, representing an increase of 13.4% as compared with RMB2,516.4 million as at 31 December 2023. This growth was mainly due to an increase in amounts due from property owners, driven by the continuous increase in the GFA under management.

Trade and Other Payables

As at 31 December 2024, trade and other payables amounted to RMB1,360.5 million, representing a decrease of 1.8% as compared with RMB1,385.6 million as at 31 December 2023, which was basically the same as that in 2023.

Borrowings

As at 31 December 2024, the borrowings were RMB52.0 million, remaining stable as compared to RMB52.0 million as at 31 December 2023, which was a bank loan incurred by Henan Tianming Property Management Co., Ltd. ("**Henan Tianming**") prior to its acquisition by the Group, and since the equity interest of the company was acquired by the Group in 2022, its results were included in the Group's consolidated statement of accounts in that year.

Proceeds from the Listing

References are made to (i) the prospectus (the “**Prospectus**”) of the Company dated 5 May 2020 relating to the global offering of the Shares; (ii) the annual report of the Company for the year ended 31 December 2020; (iii) the Company’s announcements (the “**Previous Announcements**”) dated 8 July 2021, 16 March 2022 and 14 November 2023 relating to the updates on expected timeline for use of proceeds from the listing of the Company’s shares on the main board of the Stock Exchange (the “**Listing**”) on 15 May 2020; and (iv) the announcement of the Company dated 26 August 2024 regarding the change in use of the net proceeds. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK\$2,280.8 million (equivalent to RMB2,088.7 million). Having carefully considered the reasons set out in “Reasons for and benefits of the proposed change in use of proceeds and expected timeline” of the Company’s announcement dated 26 August 2024, the Board resolved to change the proposed use and the respective timeline of the unutilised net proceeds in view of the business environment in the recent years and the changes in the Company’s business strategies. As of 31 December 2024, the Group has used approximately RMB1,178.8 million of the proceeds. As of 31 December 2024, the Company has not yet utilised the net proceeds of approximately RMB909.9 million.

The table below sets forth the revised allocation and status of utilisation of the net proceeds and the expected timeline of the use of the unutilised proceeds from the Listing date and up to 31 December 2024:

Major categories	Sub-categories	Original intended use of proceeds RMB'000	Revised allocation of amount of the net proceeds ¹ RMB'000	Net proceeds used during 2024 RMB'000	Actual use as at 31 December 2024 RMB'000	Unused net proceeds as at 31 December 2024 RMB'000	Time frame (as disclosed in the Previous Announcements)	Updated time frame
1.	Strategic investment, cooperation and acquisition	1,253,216	132,723	–	132,723	–		
	1.1 Acquiring property management service providers	835,478	114,531	–	114,531	–	Between one year to four and a half years after Listing	–
	1.2 Acquiring companies that will expand our portfolio	208,869	–	–	–	–	Between one year to four and a half years after Listing	–
	1.3 Acquiring other companies that can bring synergies to our business, in particular, our value-added services	208,869	18,192	–	18,192	–	Between one year to four and a half years after Listing	–

Major categories	Sub-categories	Original intended use of proceeds RMB'000	Revised allocation of amount of the net proceeds ¹ RMB'000	Net proceeds used during 2024 RMB'000	Actual use as at 31 December 2024 RMB'000	Unused net proceeds as at 31 December 2024 RMB'000	Time frame (as disclosed in the Previous Announcements)	Updated time frame
2.	Enhancement of Jianye+ platform to optimise user experience	313,304	505,889	9,959	137,530	368,359		
	2.1 Developing and optimising software and our cloud system	104,435	159,465	9,792	76,425	83,040	Between one year to four and a half years after Listing	By end of December 2025
	2.2 Improving and expanding our facilities and equipment	83,548	83,548	–	1,990	81,558	Between one year to four and a half years after Listing	By end of December 2025
	2.3 Expansion of scale and diversity of membership resources	83,548	137,199	75	49,874	87,325	Between one year to four and a half years after Listing	By end of December 2025
	2.4 Expansion of our user base	41,773	125,677	92	9,241	116,436	Between one year to four and a half years after Listing	By end of December 2025
3.	Investment in advanced information technology systems	313,304	346,575	32,467	146,111	200,464		
	3.1 Building intelligence communities and upgrading facilities	146,209	179,480	24,848	134,526	44,954	Between one year to four and a half years after Listing	By end of December 2025
	3.2 Developing our financial sharing system	52,217	52,217	7,619	10,368	41,849	Between one year to four and a half years after Listing	By end of December 2025
	3.3 Developing a process control and KPI integration system	83,548	83,548	–	1,008	82,540	Between one year to four and a half years after Listing	By end of December 2025
	3.4 Achieving digitalised documentation	31,330	31,330	–	209	31,121	Between one year to four and a half years after Listing	By end of December 2025
4.	General working capital	208,870	656,189	327,725	536,595	119,594	Between one year to four and a half years after Listing	By end of December 2025
	Working capital and other general corporate purposes							
5.	Renovating and improving the quality of the old residential communities	–	149,106	5,131	5,131	143,975		By end of December 2025
6.	Development of value-added services business	–	298,212	220,726	220,726	77,486		By end of December 2025
		<u>2,088,694</u>	<u>2,088,694</u>	<u>596,008</u>	<u>1,178,816</u>	<u>909,878</u>		

Note:

1. The revised allocation of amount of the net proceeds equals the sum of actual use as at 30 June 2024 and the revised allocation of unutilised amount of the net proceeds, as disclosed in the Company's announcement dated 26 August 2024.

Save as disclosed in the table above, the intended use of other items of the net proceeds of the Listing remains unchanged. For more details, please refer to the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 5 May 2020, the Previous Announcements and the Company’s announcement published on 26 August 2024.

The unused net proceeds are expected to be used for the above purposes within the specified timeframe after the Listing Date, though it may be subject to changes in market conditions from time to time.

Pledge of Assets

As of 31 December 2024, the Group did not have any pledged assets for its loan guarantee.

Major Acquisition and Disposals

The Group did not have any major acquisition and disposals of subsidiaries and associated companies during the year.

Major Investment or Future Plans for Major Investment

As of 31 December 2024, the Group did not hold any significant investment and had no specific plan for significant investments or capital assets.

Contingent Liabilities and Capital Commitment

As of 31 December 2024, the Group did not have any significant contingent liabilities and capital commitment.

Events after the Reporting Period

There are no significant events subsequent to 31 December 2024 which would materially affect the Group’s operating and financial performance as of the date of this announcement.

Foreign Exchange Risk

The principal activities of the Group are conducted in the PRC, and a majority of the Group’s income and expenses were denominated in Renminbi. Therefore, the Group is not exposed to material risk directly relating to foreign exchange rate fluctuation except certain bank balances

were denominated in Hong Kong dollars, which were held by the Company in its own functional currency. Currently, the Group has not entered into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor the foreign exchange exposure, and take prudent measures to reduce the foreign exchange risk.

Employees and Remuneration Policy

As of 31 December 2024, we had 5,699 full time employees, substantially all of whom were located in Henan province.

During the year, the Company continued to promote the flattening of its organisational structure, aiming to enhance the overall effectiveness and responsiveness of the organisation and significantly strengthen decision-making efficiency and execution by shortening communication channels. To continuously improve efficiency, the Company has been comprehensively and meticulously defining and optimising its internal authority and responsibility processes based on daily work requirements. This aims to achieve seamless integration of management from top to bottom, while also simplifying workflows, accelerating business processes, and significantly enhancing work efficiency.

In terms of talent management, the Company has always adhered to the principle of selection that emphasises both professional ethics and work ability, as we regard the professionalism and ethics of our employees as the cornerstones of the Company's sustainable development. To this end, the Company not only strengthens its internal training system, but also actively encourages its employees to participate in various further education programs, helping them enhance their personal capabilities and overall quality. In addition, for the career development of its employees, the Company has designed a clear promotion path. According to each employee's unique strengths and the Company's strategic development direction, we customise a personalised development path to help them achieve their career goals.

Regarding the remuneration package, the Company closely monitors market trends and makes timely adjustments to salary levels to ensure competitiveness and fairness. At the same time, the Company has established an efficient performance appraisal system that closely links employee performance with salary, effectively motivating employees and fostering creativity through specific, quantifiable performance indicators. Furthermore, the Company has implemented strong incentives to create a performance-based compensation system, further strengthening its competitive edge.

CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improving its corporate governance and disclosure practices. During the year ended 31 December 2024, the Company has complied with all code provisions and mandatory disclosure requirements and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company’s securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has discussed with the management and the external auditor of the Company and has reviewed the annual results of the Group for the year ended 31 December 2024 together with the accounting standards and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the annual results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF PRISM

The figures in respect of the Group’s consolidated statement of comprehensive income, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group’s external

auditor, Prism, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism on this announcement.

FINAL DIVIDEND

The Board resolved to recommend a final dividend (the “**Final Dividend**”) of HK\$7.36 cents (equivalent to RMB6.80 cents) per share for the year ended 31 December 2024 (2023: Nil), which will be paid out of the company's share premium account.

The Final Dividend is proposed to be paid on or around Wednesday, 25 June 2025 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 11 June 2025.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**2025 AGM**”) will be held on Monday, 2 June 2025. Shareholders should refer to details regarding the 2025 AGM in the circular of the Company, the notice of 2025 AGM and form of proxy accompanying thereto, which will be published and despatched to the shareholders of the Company in a manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 28 May 2025 to Monday, 2 June 2025 (both days inclusive), during which no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 27 May 2025, for registration.

In addition, the Board has recommended a final dividend of HK\$7.36 cents (2023: Nil) per ordinary share payable to shareholders whose names appear on the register of members of the Company on Wednesday, 11 June 2025, subject to the shareholders' approval at the 2025 AGM. The register of members of the Company will be closed from Monday, 9 June 2025 to Wednesday, 11 June 2025 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. During such period, no share transfer will be registered. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 6 June 2025, for registration. The final dividend will be distributed on or about Wednesday, 25 June 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.ccnewlife.com.cn) and the Stock Exchange (<http://www.hkexnews.hk>). The Company's annual report for the year ended 31 December 2024 will be despatched to the shareholders and published on the aforesaid websites in due course.

By Order of the Board
Central China New Life Limited
Wang Jun
Chairman

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises: (i) Mr. Wang Jun (Chairman) and Ms. Dai Jiling as executive Directors; and (ii) Mr. Leong Chong, Ms. Luo Laura Ying and Ms. Xin Zhu as independent non-executive Directors.