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Roiserv Lifestyle Services Co., Ltd.

榮萬家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: 2146)

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

2024 RESULTS HIGHLIGHTS

- Total revenue of the Group for the Relevant Year amounted to approximately RMB1,956.9 million, representing a year-on-year increase of approximately 6.8%. Among them, the revenue from community services increased by 7.8% year-on-year, the revenue from commercial services increased by 27.8% year-on-year, the revenue from urban services increased by 36.0% year-on-year, and the revenue from peripheral services decreased by 12.0% year-on-year.
- Gross profit of the Group for the Relevant Year amounted to approximately RMB415.7 million, representing a year-on-year decrease of approximately 9.0%.
- Gross profit margin for the Relevant Year was approximately 21.2%, representing a year-on-year decrease of approximately 3.7 percentage points.
- Net profit of the Group for the Relevant Year amounted to approximately RMB116.1 million, representing a year-on-year decrease of approximately 11.2%.
- Profit attributable to the owners of the Company for the Relevant Year amounted to approximately RMB113.8 million, representing a year-on-year decrease of approximately 9.9%.
- Contracted GFA¹ for the Relevant Year was approximately 101.3 million sq.m., representing an increase of approximately 0.3 million sq.m..
- GFA under management¹ for the Relevant Year was approximately 89.3 million sq.m., representing an increase of approximately 5.7 million sq.m..
- The Board does not recommend the payment of a final dividend for the year ended December 31, 2024.

¹ The GFA refers to the GFA managed or contracted by the Group under the community services and commercial services business lines.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Roiserv Lifestyle Services Co., Ltd. (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2024 (the “**Relevant Year**”) with the comparative audited figures for the preceding financial year, in accordance with the China Accounting Standards for Business Enterprises (“**CASBE**”), as follows:

CONSOLIDATED BALANCE SHEET

As at December 31

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
Current assets:			
Cash at bank and on hand		583,595,247.60	678,633,118.81
Settlement reserve		0	0.00
Placements with banks and non-bank financial institutions		0	0.00
Financial assets held-for-trading		0	0.00
Derivative financial assets		0	0.00
Notes receivable		0	0.00
Accounts receivable	II.3	2,116,192,108.03	2,092,264,694.24
Receivables financing		0	0.00
Prepayments	II.4	110,592,324.35	149,138,378.60
Insurance premium receivable		0	0.00
Reinsurance premium receivable		0	0.00
Reserves for reinsurance contracts receivable		0	0.00
Other receivables	II.5	571,105,255.02	786,037,402.47
Including: Interest receivable		223,294.22	9,339,290.39
Dividends receivable		0	0.00
Financial assets held under resale agreements		0	0.00
Inventories	II.6	339,140,640.33	54,760,705.59
Contract assets	II.7	26,954,668.97	28,149,875.98
Assets held for sale		0	0.00
Non-current assets due within one year		1,872,205.80	1,872,205.80
Other current assets		27,796,685.62	20,489,744.48
Total current assets		3,777,249,135.72	3,811,346,125.97

CONSOLIDATED BALANCE SHEET (CONTINUED)*As at December 31**Unit: RMB*

Item	<i>Notes</i>	December 31, 2024	December 31, 2023
Non-current assets:			
Loans and advances granted		0	0.00
Debt investments		0	0.00
Other debt investments		0	0.00
Long-term receivables		4,891,742.87	6,025,040.65
Long-term equity investments		103,696,621.40	104,126,398.72
Investment in other equity instruments		0	0.00
Other non-current financial assets		0	0.00
Investment properties		69,662,023.67	55,309,069.00
Fixed assets		33,522,106.82	36,411,987.89
Construction in progress		0	436,246.68
Productive biological assets		0	0.00
Oil and gas assets		0	0.00
Right-of-use assets		17,353,892.97	2,509,842.11
Intangible assets	<i>II.8</i>	8,108,312.60	10,571,332.75
Development expenses		0	0.00
Goodwill		0	0.00
Long-term prepaid expenses		11,593,694.51	14,034,541.81
Deferred income tax assets		148,019,824.67	109,855,422.71
Other non-current assets		0	3,599,181.00
Total non-current assets		<u>396,848,219.51</u>	<u>342,879,063.32</u>
Total assets		<u>4,174,097,355.23</u>	<u>4,154,225,189.29</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at December 31

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
Current liabilities:			
Short-term borrowings		3,000,000.00	2,000,000.00
Loans from central bank		0.00	0.00
Placements from banks and other financial institutions		0.00	0.00
Financial liabilities held-for-trading		0.00	0.00
Derivative financial liabilities		0.00	0.00
Notes payable		0.00	0.00
Accounts payable	II.9	733,847,206.94	859,998,232.83
Receipt in advance	II.10	1,392,505.44	3,854,809.60
Contract liabilities	II.11	448,197,573.83	391,835,268.79
Amount from sales of repurchased financial assets		0.00	0.00
Deposits from customers and other banks		0.00	0.00
Brokerage for securities trading		0.00	0.00
Brokerage for underwriting securities		0.00	0.00
Staff remuneration payable		131,903,632.09	93,814,976.86
Taxes payable		88,440,308.46	101,206,242.59
Other payables	II.12	499,757,015.92	565,706,023.66
Including: Interest payable		0.00	0.00
Dividends payable		7,270.63	74,105,400.00
Fee and commission payable		0.00	0.00
Reinsured accounts payable		0.00	0.00
Liabilities held for sale		0.00	0.00
Non-current liabilities due within one year		10,254,362.33	4,641,065.72
Other current liabilities		25,156,215.31	19,965,629.47
Total current liabilities		1,941,948,820.32	2,043,022,249.52
Non-current liabilities:			
Reserves for insurance contracts		0.00	0.00
Long-term borrowings		0.00	0.00
Bonds payable		0.00	0.00
Including: Preference shares		0.00	0.00
Perpetual bonds		0.00	0.00
Lease liabilities		14,358,033.40	11,079,518.38
Long-term payables		0.00	0.00
Long-term staff remuneration payable		0.00	0.00
Estimated liabilities		0.00	0.00
Deferred income		0.00	0.00
Deferred income tax liabilities		9,863,781.38	7,006,086.25
Other non-current liabilities		0.00	0.00
Total non-current liabilities		24,221,814.78	18,085,604.63
Total liabilities		1,966,170,635.10	2,061,107,854.15

CONSOLIDATED BALANCE SHEET (CONTINUED)*As at December 31**Unit: RMB*

Item	<i>Notes</i>	December 31, 2024	December 31, 2023
Shareholders' equity:			
Share capital	<i>II.13</i>	376,000,000.00	376,000,000.00
Other equity instruments		0.00	0.00
Including: Preference shares		0.00	0.00
Perpetual bonds		0.00	0.00
Capital reserve	<i>II.14</i>	984,630,205.10	984,630,205.10
Less: Treasury shares		0.00	0.00
Other comprehensive income		0.00	0.00
Special reserve		0.00	0.00
Surplus reserve	<i>II.15</i>	104,634,931.96	96,749,261.49
Provision for general risks		0.00	0.00
Undistributed profit		722,746,436.87	616,817,866.41
Total equity attributable to shareholders of the parent company		<u>2,188,011,573.93</u>	<u>2,074,197,333.00</u>
Minority interests		<u>19,915,146.20</u>	<u>18,920,002.14</u>
Total shareholders' equity		<u>2,207,926,720.13</u>	<u>2,093,117,335.14</u>
Total liabilities and shareholders' equity		<u>4,174,097,355.23</u>	<u>4,154,225,189.29</u>

CONSOLIDATED INCOME STATEMENT
Year ended December 31

Unit: RMB

Item	Notes	2024	2023
I. Total operating income		1,956,931,773.56	1,831,896,676.99
Including: Operating income	II.16	1,956,931,773.56	1,831,896,676.99
Interest income		0.00	0.00
Premium earned		0.00	0.00
Handling charges and commission income		0.00	0.00
II. Total operating cost		1,680,228,850.36	1,514,545,544.98
Including: Operating cost		1,541,232,911.97	1,375,015,348.60
Interest expenses		0.00	0.00
Handling charges and commission expenses		0.00	0.00
Refunded premiums		0.00	0.00
Net amount of compensation payout		0.00	0.00
Net provisions for insurance reserve		0.00	0.00
Policy dividend payment		0.00	0.00
Reinsurance expenses		0.00	0.00
Taxes and surcharges		10,301,353.85	9,468,320.15
Selling expenses		7,214,111.97	8,194,568.58
Administrative expenses		119,274,501.48	131,874,520.89
Research and development expenses		0.00	0.00
Finance costs		2,205,971.09	-10,007,213.24
Including: Interest expenses		936,763.44	457,752.71
Interest income		2,859,787.14	14,935,330.28
Add: Other income		4,097,949.76	9,775,367.72
Investment income			
(Loss marked with “-”)		-312,904.84	-583,602.24
Including: Investment income			
from associates and joint ventures		-429,777.32	2,483,475.78
Gain on derecognition of financial assets measured at amortized cost		0.00	0.00
Exchange gain			
(Loss marked with “-”)		0.00	0.00
Net gain on exposure hedging			
(Loss marked with “-”)		0.00	0.00
Gain on change in fair value			
(Loss marked with “-”)		-190,832.64	-328,857.08
Loss on impairment of credit			
(Loss marked with “-”)		-131,249,004.77	-157,502,124.94
Impairment losses on assets			
(Loss marked with “-”)		186,898.60	77,631.49
Gains from disposal of asset			
(Loss marked with “-”)		-506,208.27	-58,860.33

CONSOLIDATED INCOME STATEMENT (CONTINUED)

Year ended December 31

Unit: RMB

Item	Notes	2024	2023
III. Operating profit (Loss marked with “-”)		148,728,821.04	168,730,686.63
Add: Non-operating income		3,895,720.49	2,296,945.54
Less: Non-operating expenses		5,738,560.72	4,368,544.06
IV. Total profit (Total loss marked with “-”)		146,885,980.81	166,659,088.11
Less: Income tax expenses	II.17	30,804,176.28	35,966,964.17
V. Net profits (Net loss marked with “-”)		116,081,804.53	130,692,123.94
(I) Classified by business continuity		116,081,804.53	130,692,123.94
1. Net profits from continuing operations (Net loss marked with “-”)		116,081,804.53	130,692,123.94
2. Net profits from discontinued operations (Net loss marked with “-”)		0.00	0.00
(II) Classified by ownership		116,081,804.53	130,692,123.94
1. Net profit attributable to owners of parent company (Net loss marked with “-”)		113,814,240.93	126,327,993.55
2. Profit or loss of minority shareholders (Net loss marked with “-”)		2,267,563.60	4,364,130.39
VI. Net other comprehensive income after tax		0.00	0.00
Net other comprehensive income after tax attributable to owners of the parent company		0.00	0.00
(I) Other comprehensive income that may not be reclassified into profit or loss		0.00	0.00
1. Change in remeasurement of defined benefit plans		0.00	0.00
2. Other comprehensive income not converted into profit or loss under equity method		0.00	0.00
3. Changes in fair value of investments in other equity instruments		0.00	0.00
4. Changes in the fair value of the company’s own credit risk		0.00	0.00
5. Others		0.00	0.00

CONSOLIDATED INCOME STATEMENT (CONTINUED)*Year ended December 31**Unit: RMB*

Item	<i>Notes</i>	2024	2023
(II) Other comprehensive income that will be reclassified into profit and loss		0.00	0.00
1. Other comprehensive income converted into profit or loss under the equity method		0.00	0.00
2. Changes in fair value of other debt investments		0.00	0.00
3. Reclassification of financial assets to other comprehensive income		0.00	0.00
4. Provision for credit impairment of other debt investments		0.00	0.00
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)		0.00	0.00
6. Exchange differences arising from translation of foreign currency financial statements		0.00	0.00
7. Others		0.00	0.00
Net other comprehensive income after tax attributable to minority interests		0.00	0.00
VII. Total comprehensive income		116,081,804.53	130,692,123.94
Total comprehensive income attributable to shareholders of the parent company		113,814,240.93	126,327,993.55
Total comprehensive income attributable to minority interests		2,267,563.60	4,364,130.39
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	<i>II.18</i>	0.30	0.34
(II) Diluted earnings per share (RMB/share)	<i>II.18</i>	0.30	0.34

NOTES TO THE ITEMS IN THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

1 General Information

Roiserv Lifestyle Services Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on November 2, 2000 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered office is Office Building No. 9, Ping’an Street, South Xia’an Highway, Xianghe County Development Zone, Langfang City, Hebei Province, PRC.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of property management and related value-added services in the PRC.

The Company’s parent company was RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) (“**RiseSun Development**”), a company incorporated in the PRC and its shares are listed on Shenzhen Stock Exchange Co., Ltd. RiseSun Development and its affiliates (excluding the Group) are referred to as RiseSun Group. The ultimate holding company is RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司) (the “**Ultimate Controlling Company**”), a limited liability investment holding company incorporated in the PRC.

On April 23, 2020, the Company was converted from a limited liability company into a joint stock company with limited liability.

On January 15, 2021, the Company’s H shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”).

Unless otherwise stated, the Company’s financial information is presented in Renminbi (“**RMB**”), which is the Company’s functional currency.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

The Group’s financial statements have been prepared on a going concern basis, based on transactions and events that have actually occurred, in accordance with the Accounting Standards for Business Enterprises (“**ASBE**”) issued by the Ministry of Finance and relevant regulations, as well as related disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

2 Going Concern

The Group has a recent profitable operating history and is supported by financial resources. It is considered reasonable that the financial statements are prepared on a going concern basis.

3 Accounts receivable

(1) Accounts receivable shown by aging

The aging analysis of accounts receivable based on the transaction dates is as follows:

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	1,420,972,949.85	1,407,347,923.00
1-2 years	484,220,845.26	501,564,863.15
2-3 years	309,037,741.69	460,542,410.22
More than 3 years	337,167,354.06	49,700,503.30
Including: 3-4 years	305,760,437.47	42,606,477.78
4-5 years	24,914,834.02	4,842,784.92
More than 5 years	6,492,082.57	2,251,240.60
Total	<u>2,551,398,890.86</u>	<u>2,419,155,699.67</u>

(2) Accounts receivable classified according to the bad debt accrual method

Category	Closing balance		Bad debt provision		Book value
	Book balance Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts on an individual basis	0.00	0.00	-	0.00	0.00
Including:	-	-	-	-	-
Provision for bad debts by portfolio	2,551,398,890.86	100.00	435,206,782.83	17.06	2,116,192,108.03
Including: Aging portfolio	2,551,398,890.86	100.00	435,206,782.83	17.06	2,116,192,108.03
Total	<u>2,551,398,890.86</u>	<u>100.00</u>	<u>435,206,782.83</u>	<u>17.06</u>	<u>2,116,192,108.03</u>

Category	Opening balance		Bad debt provision		Book value
	Book balance Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts on an individual basis	0.00	0.00	0.00	0.00	0.00
Including:	-	-	-	-	-
Provision for bad debts by portfolio	2,419,155,699.67	100.00	326,891,005.43	13.51	2,092,264,694.24
Including: Aging portfolio	2,419,155,699.67	100.00	326,891,005.43	13.51	2,092,264,694.24
Total	<u>2,419,155,699.67</u>	<u>100.00</u>	<u>326,891,005.43</u>	<u>13.51</u>	<u>2,092,264,694.24</u>

4 Prepayments

(1) Aging of prepayments

Item	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	41,848,250.64	37.84	120,941,021.28	81.09
1-2 years	60,153,778.08	54.39	8,093,121.79	5.43
2-3 years	7,441,921.45	6.73	2,772,913.75	1.86
More than 3 years	1,148,374.18	1.04	17,331,321.78	11.62
Total	110,592,324.35	100.00	149,138,378.60	100.00

5 Other receivables

Item	Closing balance	Opening balance
Interest receivable	223,294.22	9,339,290.39
Other receivables	570,881,960.80	776,698,112.08
Total	571,105,255.02	786,037,402.47

5.1 Interest receivable

(1) Interest receivable

Item	Closing balance	Opening balance
Interest receivable	223,294.22	9,339,290.39
Total	223,294.22	9,339,290.39

5.2 Other receivables

(1) Other receivables presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	283,417,292.67	290,418,798.21
1-2 years	153,770,674.73	518,277,371.02
2-3 years	216,386,075.13	36,678,924.17
More than 3 years	73,512,171.58	62,463,627.02
Including: 3-4 years	29,765,693.49	13,246,109.03
4-5 years	9,391,915.44	20,225,949.09
More than 5 years	34,354,562.65	28,991,568.90
Total	727,086,214.11	907,838,720.42

(2) *Other receivables classified according to the bad debt accrual method*

Category	Closing balance		Bad debt provision		Book value
	Book balance Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts on an individual basis	0.00	0.00	0.00	0.00	0.00
Including:	-	-	-	-	-
Provision for bad debts by portfolio	727,086,214.11	100.00	156,204,253.31	21.48	570,881,960.80
Including: Aging portfolio	727,086,214.11	100.00	156,204,253.31	21.48	570,881,960.80
Total	727,086,214.11	100.00	156,204,253.31	21.48	570,881,960.80

Category	Opening balance		Bad debt provision		Book value
	Book balance Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08
Including: Aging portfolio	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08
Total	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08

6 Inventories

Item	Book balance	Closing balance		Opening balance		Book value
		Provision for impairment of inventories/ impairment of contractual performance costs	Book value	Book balance	Provision for impairment of inventories/ impairment of contractual performance costs	
Raw materials	6,717,488.34	0.00	6,717,488.34	6,922,660.84	0.00	6,922,660.84
Stock items	319,282,013.76	0.00	319,282,013.76	34,999,580.35	0.00	34,999,580.35
Revolving material	13,141,138.23	0.00	13,141,138.23	12,838,464.40	0.00	12,838,464.40
Total	339,140,640.33	0.00	339,140,640.33	54,760,705.59	0.00	54,760,705.59

7 **Contract assets**

(1) *Detail of contract assets*

Item	Book balance	Closing balance Provision for impairment	Book value
Engineering construction	<u>28,607,407.76</u>	<u>1,652,738.79</u>	<u>26,954,668.97</u>

Item	Book balance	Opening balance Provision for impairment	Book value
Engineering construction	<u>29,989,513.37</u>	<u>1,839,637.39</u>	<u>28,149,875.98</u>

(2) *Contract assets by aging*

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	28,607,407.76	29,989,513.37
Provision for impairment	<u>1,652,738.79</u>	<u>1,839,637.39</u>
Book value	<u>26,954,668.97</u>	<u>28,149,875.98</u>

8 Intangible assets

Item	Right-of-use of software	Total
I. Original book value		
1. Opening balance	17,206,668.96	17,206,668.96
2. Increase in current year	12,360.00	12,360.00
(1) Acquisition	12,360.00	12,360.00
3. Decrease in current year	66,944.19	66,944.19
(1) Disposal	66,944.19	66,944.19
4. Closing balance	<u>17,152,084.77</u>	<u>17,152,084.77</u>
II. Accumulated amortization		
1. Opening balance	6,635,336.21	6,635,336.21
2. Increase in current year	2,463,533.50	2,463,533.50
(1) Accrual	2,463,533.50	2,463,533.50
3. Decrease in current year	55,097.54	55,097.54
(1) Disposal	55,097.54	55,097.54
4. Closing balance	<u>9,043,772.17</u>	<u>9,043,772.17</u>
III. Provision for impairment		
1. Opening balance	0.00	0.00
2. Increase in current year	0.00	0.00
(1) Accrual	0.00	0.00
3. Decrease in current year	0.00	0.00
(1) Disposal	0.00	0.00
4. Closing balance	<u>0.00</u>	<u>0.00</u>
IV. Book value		
1. Closing book value	8,108,312.60	8,108,312.60
2. Opening book value	<u>10,571,332.75</u>	<u>10,571,332.75</u>

9 Accounts payable

(1) Presentation of accounts payable

Item	Closing balance	Opening balance
Construction fees	468,483,974.58	542,992,345.59
Service fees	193,365,517.78	163,754,805.12
Payments for goods purchased	<u>71,997,714.58</u>	<u>153,251,082.12</u>
Total	<u>733,847,206.94</u>	<u>859,998,232.83</u>

(2) Presentation of accounts payable by aging

The aging analysis of accounts payable (including accounts payables due from related parties) based on the transaction dates is as follows:

Aging	Closing balance	Opening balance
Within 1 year	415,258,382.59	570,789,501.28
1-2 years	130,587,491.76	141,000,761.29
2-3 years	85,915,596.41	119,425,435.78
3-4 years	83,581,844.92	16,901,568.24
4-5 years	8,026,282.91	9,346,253.46
More than 5 years	<u>10,477,608.35</u>	<u>2,534,712.78</u>
Total	<u>733,847,206.94</u>	<u>859,998,232.83</u>

10 Receipt in advance*(1) Presentation of receipt in advance*

Category	Closing balance	Opening balance
Leasing	<u>1,392,505.44</u>	<u>3,854,809.60</u>

11 Contract liabilities*(1) Detail of contract liabilities*

Item	Closing balance	Opening balance
Property charges in advance and other charges	<u>448,197,573.83</u>	<u>391,835,268.79</u>

12 Other payables*(1) Other payables by nature of payment*

Item	Closing balance	Opening balance
Interest payable	0.00	0.00
Dividends payable	7,270.63	74,105,400.00
Other payables	<u>499,749,745.29</u>	<u>491,600,623.66</u>
Total	<u>499,757,015.92</u>	<u>565,706,023.66</u>

13 Share capital

Item	Opening balance	Issuance of new shares	Share grant	Change for the year (+, -)			Closing balance
				Surplus reserve converted to shares	Others	Subtotal	
Total number of shares	376,000,000.00	0.00	0.00	0.00	0.00	0.00	376,000,000.00

14 Capital reserve

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Equity premium	906,045,603.32	0.00	0.00	906,045,603.32
Other capital reserve	78,584,601.78	0.00	0.00	78,584,601.78
Total	984,630,205.10	0.00	0.00	984,630,205.10

15 Surplus reserve

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	96,749,261.49	7,885,670.47	0.00	104,634,931.96

16 Operating income & operating cost

(1) Details of operating income and operating cost

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
Principle operations	1,941,486,978.34	1,531,411,817.88	1,817,003,668.81	1,372,134,964.52
Other operations	<u>15,444,795.22</u>	<u>9,821,094.09</u>	14,893,008.18	<u>2,880,384.08</u>
Total	<u>1,956,931,773.56</u>	<u>1,541,232,911.97</u>	<u>1,831,896,676.99</u>	<u>1,375,015,348.60</u>

(2) Information on income from contracts

Classification of contracts	2024	2023
Goods		
Including: Community services	1,438,280,002.44	1,334,069,966.89
Commercial services	46,634,701.24	36,501,949.59
Urban services	187,082,515.95	137,598,512.51
Peripheral services	<u>284,934,553.93</u>	<u>323,726,248.00</u>
Total	<u>1,956,931,773.56</u>	<u>1,831,896,676.99</u>
Classified by region	2024	2023
Including: Mainland of China	<u>1,956,931,773.56</u>	<u>1,831,896,676.99</u>
Classification by time of transfer of goods		
Including: Transfer at a point in time	170,240,804.70	149,402,988.67
Transfer within a certain period of time	<u>1,786,690,968.86</u>	<u>1,682,493,688.32</u>
Total	<u>1,956,931,773.56</u>	<u>1,831,896,676.99</u>

17 Income tax expenses

Item	Current year amount	Prior year amount
Current income tax calculated in accordance with tax law and related regulations	66,110,883.11	64,770,002.43
– Corporate income tax in the Mainland of China	66,110,883.11	64,770,002.43
Deferred income tax expenses	(35,306,706.83)	(28,803,038.26)
Total	30,804,176.28	35,966,964.17

There is no Hong Kong income tax as the Group had no taxable income in Hong Kong during the year.

18 Return on Net Assets and Earnings Per Share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the holders of the parent company	5.34	0.3	0.3
Net profit attributable to the holders of the parent company (excluding: extraordinary profit and loss)	5.34	0.3	0.3

19 Dividends

	2024	2023
Dividends recognised as distribution during the year:	0.00	75,200,000.00

Note: On November 24, 2023, the Board proposed to declare and pay a special dividend of RMB0.20 (before tax) per ordinary share of the Company in the form of cash, totaling approximately RMB75.2 million.

The Board does not recommend to declare final dividend for the year ended December 31, 2024 (2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OVERVIEW

The Group is a comprehensive property management service provider with a strategic service network across China. As of December 31, 2024, the Group had a total of 473 property management projects under management with an aggregate gross floor area (“GFA”) under management of approximately 89.3 million square metres (“sq.m.”), covering 68 cities across 19 provinces, municipalities and autonomous regions in China. As of December 31, 2024, the Group was contracted to manage 519 property management projects with an aggregate contracted GFA of approximately 101.3 million sq.m., covering 70 cities across 19 provinces, municipalities and autonomous regions in China.

In recent years, due to the downward cycle of the real estate industry in China, the growth rate of the management scale of the property services industry has slowed down, reducing the growth rate of both the managed and contracted areas. As a result, the scale growth driven by the contracted area has waned with limited growth potential. The management of the Group has actively responded to market challenges and made full use of its own resources to expand into new businesses and explore new tracks. Through business adjustments in recent years, the Group has optimized and reorganized its existing business lines, and by relying on existing resources, investment and mergers and acquisitions, and business expansion, it has formed a business pattern with property management services as the foundation and the joint development of multiple businesses. The types of property services have gradually expanded from community properties to non-community properties, and the business structure has gradually expanded from property services to providing comprehensive operation services for cities in China and a wide range of peripheral services for owners and residents. The Group has gradually reduced its reliance on the addition of managed area of RiseSun Real Estate Development Co., Ltd. (“**RiseSun Development**”) for its performance growth. In order to fully present the Group’s existing businesses to shareholders and investors, the Group has made appropriate adjustments to its business lines: (1) The original “property management services” business line has been split into two business lines, namely: “community services” and “commercial services”. For the “community services” business line, the Group mainly provides property services for properties such as residential buildings, apartments, and street-level shops; for the “commercial services” business line, the Group mainly provides property services for, among others, business services, government agencies, industrial parks, hotel, office buildings, schools, hospitals, stadiums, public transportation. (2) The original two business lines of “value-added services to non-property owners” and “community value-added services” were merged and renamed as “peripheral services”, which include parking space rental and sales, new retail and value-added services to property developers provided by the Group to its customers. (3) The original “urban services” business line remained unchanged. During the Relevant Year, the Group’s revenue generated from four business lines, namely: (1) community services; (2) commercial services; (3) urban services; and (4) peripheral services. The relevant comparative figures for the year ended 31 December 2023 have also been reclassified to achieve a consistent basis of comparison, as if the Group’s business lines had been adjusted at the beginning of that period.

For the year ended December 31, 2024, the Group's revenue was approximately RMB1,956.9 million, representing an increase of approximately 6.8% as compared to the corresponding period in 2023; gross profit was approximately RMB415.7 million, representing a decrease of approximately 9.0% as compared to the corresponding period in 2023. Net profit in 2024 amounted to RMB116.1 million, representing a decrease of approximately 11.2% as compared to corresponding period in 2023. For the year ended December 31, 2024, the net profit attributable to the owners of the parent company amounted to approximately RMB113.8 million, representing a decrease of approximately 9.9% as compared to the corresponding period in 2023. Basic earnings per share in 2024 amounted to approximately RMB0.3.

BUSINESS MODEL

The Group principally owns four major business lines, namely (i) community services, (ii) commercial services, (iii) urban services, and (iv) peripheral services, which constitute the comprehensive services that the Group provides to its customers, and cover the entire value chain of property management.

- **Community services:** These services mainly include: (1) basic property management services: The Group provides a wide range of property management services to owners and residents of properties such as residential buildings, apartments, and street-level shops, mainly including security, cleaning, greening and gardening, as well as repair and maintenance services; and (2) other services. During the year ended December 31, 2024, all of the Group's property management fees were charged on a lump sum basis.
- **Commercial services:** The Group provides property management and other services to owners and residents of properties including business services, government agencies, industrial parks, hotel, office buildings, schools, hospitals, stadiums, and public transportation.
- **Urban services:** The Group provides urban operation services, mainly including: municipal sanitation, garbage collection and disposal, landscaping, and water treatment.
- **Peripheral services:** The Group provides customers with (1) brokerage services such as parking space rental and sales services; (2) home-living services such as new retail, new procurement, home repairs, maintenance, and housekeeping services; and (3) comprehensive value-added services to property developers. These value-added services mainly include (i) property engineering services; (ii) on-site services; and (iii) other services, mainly including preliminary planning and design consultancy services, property delivery services, and after-sales services.

Managed and contracted GFA¹ of the community service and commercial service segments

Continuous high-quality growth in GFA size

The Group has been continuously expanding its property management service portfolio by obtaining new property management service contracts. As of December 31, 2024, the Group has contracted GFA of approximately 101.3 million sq.m. relating to 519 contracted projects, representing an increase of approximately 0.3% and 2.4% as compared with those as of December 31, 2023, respectively. As of December 31, 2024, the GFA under management was approximately 89.3 million sq.m. relating to 473 projects under management, representing an increase of approximately 6.8% and 9.7% as compared with those as of December 31, 2023, respectively.

In addition, as of December 31, 2024, the Group had entered into 60 formal cooperation agreements with independent third-party property developers during the Relevant Year. In such cooperation agreements, such property developers engaged the Group as the property management services provider, entrusted the Group with the management of relevant projects and shall pay the Group property management fees based on agreed scope of services. In 2024, the Group continued to adjust its business structure and focused its efforts on expanding non-residential and urban operation service projects. The Group established a complete series of service modes, including but not limited to full entrustment, consultancy, labor entrustment and specialized service projects. The agreements executed in 2024 covered various types of businesses, including government buildings, industrial parks, public buildings, commercial buildings, residential buildings, landscaping, hospitals, urban sanitation, industries and scenic areas.

The table below sets out the respective movements of the Group's contracted GFA and GFA under management for the years ended December 31, 2024 and 2023:

	Year ended December 31,			
	2024		2023	
	Contracted GFA (<i>'000 sq.m.</i>)	GFA under management (<i>'000 sq.m.</i>)	Contracted GFA (<i>'000 sq.m.</i>)	GFA under management (<i>'000 sq.m.</i>)
As of the beginning of the year	101,053	83,620	97,521	73,286
New engagements ⁽¹⁾	1,670	6,504	6,284	12,751
Terminations ⁽²⁾	(1,393)	(830)	(2,752)	(2,417)
As of the end of the year	101,330	89,294	101,053	83,620

¹ The GFA refers to the GFA managed or contracted by the Group under the community services and commercial services business lines.

Note:

- (1) In relation to the community properties and non-community properties being managed by the Group, new engagements primarily include preliminary property management service contracts for new properties developed by property developers and property management service contracts for community properties replacing their previous property management service providers.
- (2) These terminations include certain property management service contracts that the Group did not renew on a voluntary basis, as the Group reallocated its resources to more profitable contracts, so as to optimise its property management portfolio.

Geographic presence

Since the establishment of the Group, its business footprint has extended across the country. As of December 31, 2024, the Group established business presence in 70 cities in 19 provinces, municipalities and autonomous regions in the PRC.

The following table sets out the breakdown of the total GFA under management by geographic region as of the dates indicated:

	As of December 31,			
	2024			2023
	<i>('000 sq.m.)</i>	<i>%</i>	<i>('000 sq.m.)</i>	<i>%</i>
Bohai Economic Rim ⁽¹⁾	52,960	59.3	49,395	59.1
Yangtze River Delta region ⁽²⁾	17,591	19.7	16,381	19.6
Greater Bay Area and surrounding regions ⁽³⁾	2,928	3.3	2,844	3.4
Central and Western China ⁽⁴⁾	15,815	17.7	15,000	17.9
Total	89,294	100.0	83,620	100.0

Notes:

- (1) In this region, the Group provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, the Group provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, the Group provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, the Group provided property management services to projects located in Guizhou, Henan, Hunan, Sichuan, Anhui and Chongqing.

Stable property management fees

While growing rapidly, the Group also maintains high-quality development requirements. By continuously optimising the service projects under management, the Group has maintained its average property management fees while achieving the growth of GFA under management. For the years ended December 31, 2024 and 2023, the unit price of the Group's consolidated average property management fees remained at RMB1.7/sq.m./month.

Diversified portfolio of property management services

The Group has a diversified portfolio of properties under management comprising (i) community properties; and (ii) non-community properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industry parks, the Olympic Village, schools and hospitals.

The following table sets out the breakdown of the GFA under management and the number of projects under management under the Group's property management services by type of property as of the dates indicated:

	As of December 31,			
	2024		2023	
	GFA under management ('000 sq.m.)	Number of projects under management	GFA under management ('000 sq.m.)	Number of projects under management
Community properties	80,625	395	76,103	370
Non-community properties				
– Commercial properties	3,867	54	3,535	41
– Public and other properties	4,802	24	3,982	20
Subtotal	<u>8,669</u>	<u>78</u>	<u>7,517</u>	<u>61</u>
Total	<u>89,294</u>	<u>473</u>	<u>83,620</u>	<u>431</u>

In addition, under the strong support of RiseSun Development and its subsidiaries (the “**RiseSun Group**”), and leveraging the Group's extensive industry experience and brand recognition, the Group has been expanding business cooperation with independent third-party property developers. As of December 31, 2024, the Group had an aggregate GFA under management of approximately 5.9 million sq.m. and an aggregate contracted GFA of approximately 6.4 million sq.m. with respect to properties developed by independent third-party property developers.

The following table sets out the breakdown of the total GFA under management by the type of property developers as of the dates indicated:

	As of December 31,			
	2024		2023	
	GFA under management ('000 sq.m.)	%	GFA under management ('000 sq.m.)	%
RiseSun Group ⁽¹⁾	83,429	93.4	78,959	94.4
Properties developed by independent third-party property developers	5,865	6.6	4,661	5.6
Total	89,294	100.0	83,620	100.0

Note:

- (1) Including the projects independently developed by RiseSun Group and the properties jointly developed by RiseSun Group and other property developers in which RiseSun Group holds a controlling interest.

Urban services

In 2023, the Group acquired Wanjia Smart Environment (Beijing) Co., Ltd.* (萬家智慧環境(北京)有限公司) and other companies, enabling it to offer urban operation services, including municipal sanitation, garbage collection and disposal, landscaping, and water treatment. Focusing on the actual needs of the urban market, the Group strives to facilitate the high-quality development of Chinese cities, address urban sanitation and environmental governance issues, provide refined services for urban governance, and contribute to the development of smart cities. As of December 31, 2024, the Group has signed 9 urban service operation projects in 6 cities, covering Hebei Province and Heilongjiang Province.

Peripheral services

Centered on the diverse needs of serving our customers, the Group provides a wide range of peripheral services, specifically including (1) brokerage services, such as parking space rental and sales services based on parking spaces owned by the Group and third parties; (2) home-living services such as new retail, commercial procurement, home repairs, maintenance, and housekeeping services for owners and residents of the properties under management; and (3) comprehensive value-added services for property developers, mainly including (i) property engineering services; (ii) on-site services; and (iii) other services, mainly including preliminary planning and design consultancy services, property delivery services, and after-sales service.

Parking space rental and sales services

The Group provides parking space rental and sales services to owners and residents. Leveraging the proactive communication and close relationships with owners and residents fostered through its community and commercial services, the Group provides rental and sales services for its own parking spaces obtained through debt settlement and third-party parking spaces. The Group has adopted a rental and sales business system that ensures customer privacy and efficiently matches housing supply and demand information, enabling convenient rental and sales channels for millions of owners and bringing a better service experience.

New retail business

The Group's new retail business has established a business model of "chain convenience stores + self-operated warehouses + community group purchases" with full-scenario operation. The Group's offline chain convenience stores for new retail have been revamped as "Neighborhood Convenience," and the online group buying business has been revamped as "GO Online." The Group has launched a business model of "chain convenience stores + self-operated warehouses + community group purchases" to realize S2B2C new retail services. This model creates a service model of easy ordering with one-click convenience. Through a robust intelligent mid-platform data system, it establishes a dual advantage in purchase scenarios and purchase efficiency within the last 500 meters, improving service timeliness while highlighting the advantages of the supply chain. In addition, the Group has the capability for supply chain output and single-product original equipment manufacturer ("OEM"), which enables it to provide property owners with more diverse, convenient, and cost-effective products. As of December 31, 2024, the Group had a total of 77 physical stores in the communities under its management, with over 25,000 active stock keeping units ("SKUs") and approximately 1.21 million registered users on Rice Commune.

Value-added services for property developers

The Group provides a wide spectrum of value-added services to property developers through different phases of the property development and sales process, primarily including property engineering services, on-site services, and other services.

The Group improved its independent operation capabilities by optimizing business structure of property engineering services, adjusting business models and establishing professional engineering management teams; relieved geographical restrictions, coordinated and deployed engineering resources, implemented a headquarters-branch linkage model, and standardized the engineering business management of property companies through the integration of personnel in various regions. However, as the customers for value-added services to non-property owners are mainly property developers, the further decrease in the construction area and completed area of property developers in 2024 led to a significant decline in engineering services within the value-added services to non-property owners, with revenue lower than the same period last year.

In order to cope with the overall downward economic situation of the upstream real estate industry, the Group has proactively explored new business opportunities. On the one hand, affected by the overall downturn in the real estate industry, the Group expects its engineering business volume to continue shrinking in 2025. The engineering business is gradually shifting to delivered properties and external projects. In 2025, the Group will further develop its community business for delivered properties, which includes engineering and maintenance services, home decoration, gardening and landscaping, and direct drinking water services. On the other hand, the Group actively negotiated on renovation, maintenance and management business of public buildings, municipal works, parks, urban sanitation, scenic spots and public parks, and deployed the whole construction business for the installation of non-motorized and motorized charging piles in residential communities, enterprises, institutions and public parking lots, to make up for the performance gap and expand into diversified business.

OUTLOOK

Looking forward to 2025, the Group will (i) continue to uphold the principle of customer-oriented services, maintain property service quality, further diversify its service offerings, expand its service portfolio, upgrade its property service brand, enhance the Group's brand influence and market competitiveness, and increase customer recognition and brand reputation. The Group will continue to strengthen our market expansion efforts and further develop new projects through resources, channel development and cooperation, to continually increase its market shares; (ii) strategically invest in environment and sanitation, medical cosmetology, tourism and accommodation so as to expand its businesses and diversify its business portfolio. Through investments and mergers and acquisitions, the Company developed new businesses in governmental public construction, urban services and more, which enriched the Group's business categories, optimized its revenue structure and created synergies with its existing businesses, thereby enhancing the Group's consolidated operational capability and risk resistance. The Group will continue to improve the non-owner value-added system, intervene from the planning and design of projects, and undertake the role of a pre-intermediary from the perspectives of post-period customers and property services to facilitate the upgrade of the property brand. In response to the overall economic downturn in the upstream property sector, the Group will actively diversify its value-added business to non-property owners. This expansion includes areas such as aging retrofitting and targeted renovations, aiming to improve its business margin; (iii) continuously improve the "whole life cycle and whole service chain" service system to continuously enrich the segment of peripheral services, further promote businesses such as car washing and beauty, kiosks, promote the property brokerage and other property space management services, and continue to promote the community health industry such as housekeeping service, community nursing service, healthcare service and other services, to provide owners with a "convenient and reassuring" community health experience to enable owners to feel our "caring" property services. The Group will actively develop in-home businesses, such as indoor cleaning, furniture maintenance, and air purification, to meet the demand for environmental services and repair and maintenance; (iv) launch a new brand of wellness business, "Neighbor Care". Adhering to the motto of "Love in Every Family, Care for Every One", the Group serves every family and every person at all age and meets the needs of the elderly and their families for home-living, health, elderly care and mutual benefit services by providing one-stop, integrated wellness services; (v) at the same time strengthen the construction of financial management and control and capital support system, enhance the efficiency of financial management and control, adjust the revenue structure and profit structure, strengthen cash flow management, and improve the risk resistance capability of the enterprise; and (vi) cultivate and introduce professional talent, optimize the talent structure, promote the information technology construction of the Company, achieve technology empowerment, thereby improving the efficiency and quality of the Company's decision-making process.

FINANCIAL REVIEW

Revenue

During the Relevant Year, the Group derived its revenue principally from four business lines, namely (i) community services; (ii) commercial services; (iii) urban services; and (iv) peripheral services.

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

	2024	2023	Change
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Community services	1,438,280.0	1,334,070.0	7.8
Commercial services	46,634.7	36,502.0	27.8
Urban services	187,082.5	137,598.5	36.0
Peripheral services	284,934.6	323,726.2	(12.0)
Total	<u>1,956,931.8</u>	<u>1,831,896.7</u>	<u>6.8</u>

The Group's revenue increased by approximately 6.8% from approximately RMB1,831.9 million for the year ended December 31, 2023 to approximately RMB1,956.9 million for the year ended December 31, 2024. The reason for the change of revenue by business line are listed as follows:

- (i) Revenue from community services increased by approximately 7.8% from approximately RMB1,334.1 million for the year ended December 31, 2023 to approximately RMB1,438.3 million for the year ended December 31, 2024, primarily due to the Group's business expansion. The Group actively expanded its property management projects from RiseSun Group and other third parties, resulting in an increase in GFA under management;
- (ii) Revenue from commercial services increased by approximately 27.8% from approximately RMB36.5 million for the year ended December 31, 2023 to approximately RMB46.6 million for the year ended December 31, 2024, primarily due to the addition of new projects resulting from the Group's proactive efforts on business expansion during the Relevant Year;
- (iii) Revenue from urban services increased by approximately 36.0% from approximately RMB137.6 million for the year ended December 31, 2023 to approximately RMB187.1 million for the year ended December 31, 2024, which was primarily driven by the Group's active business expansion in 2024, with the service area of urban sanitation business newly expanding to Nangong and Wu'an City in North China; and
- (iv) Revenue from peripheral services decreased by approximately 12.0% from approximately RMB323.7 million for the year ended December 31, 2023 to approximately RMB284.9 million for the year ended December 31, 2024, which was mainly due to the significant decrease in engineering services, pre-development services, and on-site pre-sales services as a result of the cyclical downturn in the real estate industry.

Community services

These services mainly include: (1) basic property management services: The Group provides a wide range of property management services to owners and residents of properties such as residential buildings, apartments, and street-level shops, mainly including security, cleaning, greening and gardening, as well as repair and maintenance services; and (2) other services. The following table sets forth a breakdown of the Group's revenue from community services for the years indicated:

	Year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Basic property management services	1,393,846	96.9	1,298,511	97.3
Other services	44,434	3.1	35,559	2.7
Total	<u>1,438,280</u>	<u>100.0</u>	<u>1,334,070</u>	<u>100.0</u>

Basic property management services

The Group provides a wide range of property management services to owners and residents of properties such as residential buildings, apartments, and street-level shops, mainly including security, cleaning, greening and gardening, as well as repair and maintenance services. The following table sets forth a breakdown of the Group's revenue from basic property management services by type of property developers for the years indicated:

	Year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Properties developed by RiseSun Group ⁽¹⁾	1,364,827	97.9	1,287,669	99.2
Properties developed by independent third-party property developers	29,019	2.1	10,842	0.8
Total	<u>1,393,846</u>	<u>100.0</u>	<u>1,298,511</u>	<u>100.0</u>

Note:

- (1) Representing the properties independently developed by RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) and its subsidiaries, which exclude the Group, and the properties jointly developed by RiseSun Group and other property developers in which RiseSun Group holds a controlling interest.

To facilitate the management of the property management network, the Group divides its geographic coverage into four major regions in the PRC, namely Bohai Economic Rim, Yangtze River Delta region, Greater Bay Area and surrounding regions, and Central and Western China. The following table sets out the total revenue for the years indicated from the provision of basic property management services by geographical coverage:

	Year ended December 31,			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Bohai Economic Rim ⁽¹⁾	828,330	59.4	752,012	58.0
Yangtze River Delta region ⁽²⁾	245,185	17.6	237,522	18.4
Greater Bay Area and surrounding regions ⁽³⁾	59,801	4.3	58,159	4.5
Central and Western China ⁽⁴⁾	260,530	18.7	250,818	19.3
Total	<u>1,393,846</u>	<u>100.0</u>	<u>1,298,511</u>	<u>100.0</u>

Notes:

- (1) In this region, the Group provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, the Group provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, the Group provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, the Group provided property management services to projects located in Guizhou, Henan, Hunan, Sichuan, Anhui and Chongqing.

Commercial services

The Group provides property management and other services to owners and residents of properties including business services, government agencies, industrial parks, hotel, office buildings, schools, hospitals, stadiums, and public transportation. Revenue from commercial services increased by approximately 27.8% from RMB36.5 million for the year ended December 31, 2023 to RMB46.6 million for the year ended December 31, 2024.

Urban services

The Group provides urban operation services, mainly including: municipal sanitation, garbage collection and disposal, landscaping, and water treatment. Revenue from urban sanitation services increased by approximately 36.0% from RMB137.6 million for the year ended December 31, 2023 to RMB187.1 million for the year ended December 31, 2024.

Peripheral services

The Group provides customers with (1) brokerage services such as parking space rental and sales services; (2) home-living services such as new retail, commercial procurement, home repairs, maintenance, and housekeeping services; and (3) comprehensive value-added services to property developers. These value-added services mainly include (i) property engineering services; (ii) on-site services; and (iii) other services, mainly including preliminary planning and design consultancy services, property delivery services, and after-sales services. Revenue from peripheral services decreased by approximately 12.0% from RMB323.7 million for the year ended December 31, 2023 to RMB284.9 million for the year ended December 31, 2024.

The following table sets out the total revenue from peripheral services for the years indicated:

	Year ended December 31,			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Parking space rental and sales services	30,751.9	10.8	34,225.1	10.5
Home-living services	164,030.4	57.6	125,515.1	38.8
Value-added services to property developers	90,152.3	31.6	163,986.0	50.7
Total	<u>284,934.6</u>	<u>100.0</u>	<u>323,726.2</u>	<u>100.0</u>

Cost of sales

The Group's cost of sales mainly consists of (i) employee benefit expenses; (ii) maintenance costs; (iii) engineering costs; (iv) greening and cleaning expenses; (v) costs of goods sold; (vi) utilities; (vii) taxes and other levies; (viii) cost of consumables; (ix) office expenses; (x) travelling and entertainment expenses; (xi) depreciation and amortization charges; and (xii) others. The Group's cost of sales increased by approximately 12.1% from approximately RMB1,375.0 million for the year ended December 31, 2023 to approximately RMB1,541.2 million for the year ended December 31, 2024. Such increase in the cost of sales was mainly due to the increase in revenue.

Gross profit and gross profit margin

Category	Year ended December 31,			
	2024		2023	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Community services	287,089	20.0	285,332	21.4
Commercial services	7,546	16.2	8,071	22.1
Urban services	30,152	16.1	25,547	18.6
Peripheral services	90,912	31.9	137,931	42.6
Total	415,699	21.2	456,881	24.9

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by approximately 9.0% from approximately RMB456.9 million for the year ended December 31, 2023 to approximately RMB415.7 million for the year ended December 31, 2024.

The gross profit margin of the Group decreased from approximately 24.9% for the year ended December 31, 2023 to approximately 21.2% for the year ended December 31, 2024. Such decrease was mainly due to the impact of the downturn in the real estate industry, which led to a significant decrease in the value-added services to property developers business, resulting in a year-on-year decrease in gross profit and gross profit margin.

Selling expenses

The Group's selling expenses mainly consist of employee benefit expenses and office expenses for its sale and marketing staff. The Group's expenses decreased by approximately 12.0% from approximately RMB8.2 million for the year ended December 31, 2023 to approximately RMB7.2 million for the year ended December 31, 2024, primarily due to the slight decrease in expenses of the Group in marketing promotion and expansion.

Administrative expenses

The Group's administrative expenses mainly consist of (i) employee benefits; (ii) intermediary service fees; (iii) travelling and entertainment expenses; (iv) depreciation and amortization charges for assets; and (v) disability security fund, etc. The Group's administrative expenses decreased by approximately 9.6% from approximately RMB131.9 million for the year ended December 31, 2023 to approximately RMB119.3 million for the year ended December 31, 2024, mainly due to the streamlining of functional workforce and the reduction of functional staff costs, reducing costs and improving efficiency during the Relevant Year, with various expenses being lower than those of the corresponding period of last year.

Loss on impairment of credit

Basic principles of impairment provision of trade receivables and other receivables

The Company measured the expected credit losses caused by the impairment of various accounts receivables and other receivables in accordance with the “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”. Due to the impact of the general downward trend of the real estate industry, the Company assessed the provision ratio for bad debts in a prudent manner and made an impairment provision of approximately RMB131.2 million in 2024.

Income tax expenses

The Group’s income tax expenses comprise PRC corporate income tax. The Group’s income tax expenses decreased by approximately 14.4% from approximately RMB36.0 million for the year ended December 31, 2023 to approximately RMB30.8 million for the year ended December 31, 2024.

For the year ended December 31, 2024, the Group’s effective income tax rate was approximately 21.0%. During the Relevant Year, more subsidiaries of the Group were qualified as “small low-profit enterprises” where their taxable incomes were less than RMB3 million, as such, more entities of the Group enjoyed preferential income tax treatment, which was calculated at 5% while the general income tax rate was calculated at 25%, which pushed down the effective tax rate below 25% for the period.

Profit for the year

As a result of the aforementioned changes in the Group’s financial conditions, the Group’s profit for the year decreased by approximately 11.2% from approximately RMB130.7 million for the year ended December 31, 2023 to approximately RMB116.1 million for the year ended December 31, 2024. The decrease in profit was mainly due to the gross profit contribution decreased by RMB41.2 million as gross profit for the Relevant Year decreased from RMB456.9 million in 2023 to RMB415.7 million. This was mainly due to the impact of the phased downturn in the real estate industry, which has caused a significant reduction in the value-added services to property developers business, resulting in a year-on-year decrease in both gross profit and gross profit margin.

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately RMB113.8 million for the year ended December 31, 2024, representing a decrease of approximately 9.9% from approximately RMB126.3 million for the corresponding period in 2023.

Fixed assets, right-of-use assets and long-term prepaid expenses

The Group's fixed assets, right-of-use assets and long-term prepaid expenses comprise office equipment, machinery, vehicles, leasehold improvements and right-of-use assets. As of December 31, 2023 and 2024, the Group's fixed assets, right-of-use assets and long-term prepaid expenses amounted to approximately RMB52.9 million and RMB62.5 million, respectively. The increase of RMB9.6 million in the Group's property, plant and equipment during the year ended December 31, 2024 was primarily attributable to new contracts for right-of-use assets leased in the Relevant Year and amortized amount of depreciation of assets.

Investment properties

The Group's investment properties represent car parks and retail units held to earn rentals and for capital appreciation. Its investment properties increased from approximately RMB55.3 million as of December 31, 2023 to approximately RMB69.7 million as of December 31, 2024, which was mainly due to increase in delivery of originally acquired investment properties.

Intangible assets

The Group's intangible assets mainly include computer software. The Group's intangible assets decreased from approximately RMB10.6 million as of December 31, 2023 to approximately RMB8.1 million as of December 31, 2024, mainly due to the amortization of intangible assets during the Relevant Year.

Inventories

The Group's inventories consist mainly of raw materials, convenience store merchandise, revolving materials, low-value consumables, and parking spaces acquired from debt settlement arrangement. The Group's inventories increased from approximately RMB54.8 million as at December 31, 2023 to approximately RMB339.1 million as at December 31, 2024, which was mainly due to the increase in the number of properties and parking spaces acquired under debt settlement arrangement to settle a total of approximately RMB567.9 million due to the Group by RiseSun Group as disclosed in the circular of the Company dated January 12, 2024.

Accounts and other receivables and prepayments

The Group's accounts and other receivables and prepayments comprise accounts receivables, notes receivable, finance lease receivables, other receivables and prepayments to suppliers. As of December 31, 2024, the Group's accounts and other receivables and prepayments amounted to approximately RMB2,804.7 million, representing a decrease of approximately 7.60% from approximately RMB3,035.3 million as of December 31, 2023.

The Group's accounts receivables mainly arise from the services provided under the Group's community services, commercial services, urban services and peripheral services. As at December 31, 2024, the Group's accounts receivables amounted to approximately RMB2,116.2 million, representing an increase of approximately 1.1% from approximately RMB2,092.3 million as at December 31, 2023, which was mainly attributable to an increase of 6.8% in revenue in this year.

As of December 31, 2024, the Group recorded long-term finance lease receivables in the amount of approximately RMB4.9 million, primarily resulting from the finance lease agreements it entered into for sub-leasing certain car parks and retail units.

The Group's other receivables primarily consist of interest receivable, provisional payments, payments made on behalf of property owners and residents related to utility fees, collaboration deposits, tender deposits and advances to employees. As at December 31, 2024, the Group's other receivables amounted to approximately RMB571.1 million, representing a decrease of approximately 27.3% as compared with that of approximately RMB786.0 million as at December 31, 2023. This was mainly due to the Group's proactive efforts to settle and collect receivables.

As of December 31, 2024, the Group's prepayments amounted to approximately RMB110.6 million, representing a decrease of approximately 25.8% as compared with that of approximately RMB149.1 million as of December 31, 2023.

Accounts and other payables

The Group's accounts and other payables comprise accounts payables, other payables, staff remuneration payables and taxes payables. As of December 31, 2024, the Group's accounts and other payables amounted to approximately RMB1,453.9 million, representing a decrease of approximately 10.3% from approximately RMB1,620.7 million as of December 31, 2023.

The Group's accounts payables primarily represent its obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of materials. As of December 31, 2024, the Group's accounts payables amounted to approximately RMB733.8 million, representing a decrease of approximately 14.7% from approximately RMB860.0 million as of December 31, 2023.

The Group's other payables mainly represent deposits from property owners or residents and suppliers, maintenance funds for the properties under the Group's management, cash collected on behalf of property developers and owners, and utility fees paid on behalf of property owners and residents. As of December 31, 2024, the Group's other payables amounted to approximately RMB499.8 million, representing a decrease of approximately 11.7% from approximately RMB565.7 million as of December 31, 2023, which was mainly due to the inclusion of dividend payable of RMB74.1 million as at 31 December 2023, which was paid during the Relevant Year.

As at December 31, 2024, the Group's staff remuneration payables was approximately RMB131.9 million, representing an increase of approximately 40.6% as compared with that of approximately RMB93.8 million as at December 31, 2023. Such increase was mainly because during the Relevant year, the number of full-time employees increased due to the expansion of the Group's community services and urban services.

Working capital

The Group continues to meet the needs for its working capital, capital expenditure and other capital needs with cash generated from operations and proceeds from the Listing.

Net current assets

As of December 31, 2024, the Group's net current assets amounted to approximately RMB1,835.30 million (December 31, 2023: approximately RMB1,768.3 million). The Group's total current assets decreased by approximately 0.9% from approximately RMB3,811.3 million as of December 31, 2023 to approximately RMB3,777.2 million as of December 31, 2024. The Group's total current liabilities decreased by approximately 4.9% from approximately RMB2,043.0 million as of December 31, 2023 to approximately RMB1,941.9 million as of December 31, 2024.

Cash and cash equivalents

As at December 31, 2024, the Group's cash and cash equivalents (excluding restricted bank deposits) amounted to approximately RMB553.7 million, a decrease of approximately 16.0% from approximately RMB659.3 million as at December 31, 2023, which was mainly attributable to the increase in costs for purchasing materials and salaries of labors due to the expansion of the Company's scale and expansion of community services and urban services during the Relevant Year, resulting in a decrease in the overall net cash flow from operations.

Indebtedness

As at December 31, 2024, the Group had outstanding bank loans totaling RMB3.0 million (December 31, 2023: RMB2.0 million), which are repayable in September 2025.

Pledge of assets

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

Financial risks

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

Foreign exchange risk

The Group's businesses are principally conducted in RMB. As at December 31, 2024, the only foreign currency that the Group has is HK\$820,000, equivalent to RMB760,000. The fluctuation in the exchange rate of RMB against HK\$ had limited impact on the Group's operating results.

As the Group's risk exposure to foreign currency is low, the Group has not implemented any foreign currency hedging policy. It will closely monitor the exposure to any exchange rates and consider the use of hedging instruments if necessary.

Credit risk

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

The Group expects that there is no significant credit risk associated with cash deposits at banks as they are substantially deposited at banks of high credit ratings. Management expects that there will not be any significant losses resulting from non-performance by these counterparties.

The Group expects that there is no significant credit risk associated with financial assets at fair value through profit or loss as the Group furnishes investment mandates to commercial banks, and these mandates require them to invest in wealth management products with high market credit rating, liquidity and stable return. Management expects that there will not be any significant losses resulting from non-performance by these counterparties.

The Group has assessed that, in view of the current financial position and past credit history of related parties, the Group has fully considered the bad debt provision and impairment allowance in the carrying value of accounts and note receivables and contract assets from related parties. Apart from accounts receivables and contract assets due from related parties, the Group has a large number of customers and there was no concentration of credit risk. In the event that the Group is unable to recover the receivables from the related parties, the Group will consider to take various measures, including but not limited to realize assets to offset debts (including residences, shops, parking spaces, apartments).

The Group has fully considered the provision for bad debts in the carrying value of other receivables due from related parties. The Group has assessed that the ECL rate for the amounts due from these entities are immaterial under the 12 months ECL method and considered them to have low credit risk, and thus the loss allowance is immaterial. Going forward, The Group will continue to make periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

Liquidity risk

To manage the liquidity risk, the Group monitors and maintains sufficient cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

CONTINGENT LIABILITIES AND LITIGATIONS

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

COMMITMENTS

As of December 31, 2024, the lease commitment of the Group as a lessee amounted to approximately RMB24.6 million (December 31, 2023: approximately RMB11.1 million).

KEY FINANCIAL RATIOS

As of December 31, 2024, the current ratio was 1.9 times (December 31, 2023: approximately 1.9 times) and its gearing ratio was approximately 47.1% (December 31, 2023: approximately 49.6%).

Current ratio is calculated based on the total current assets divided by the total current liabilities as of the respective dates and multiplied by 100%.

Gearing ratio is calculated based on the total liabilities, which represent the sum of current liabilities and non-current liabilities, divided by total assets, which represent the sum of current assets and non-current assets, as of the respective dates and multiplied by 100%.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of December 31, 2024, the Group had no material off-balance sheet commitments and arrangements.

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

Save as disclosed, there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, during the year ended December 31, 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset as at the date of this announcement. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the shareholders (the “**Shareholders**”) as a whole. The potential investment opportunity will be funded by internal resources and the net proceeds from the Listing.

PROCEEDS FROM LISTING

The Company's H shares were listed on the Main Board of the Stock Exchange on January 15, 2021, with 94,000,000 new H Shares allotted and issued. The net proceeds from the Listing amounted to approximately HK\$1,168 million. Having considered the change in the market conditions and the business needs of the Group since the Listing, on June 16, 2023, the Board has resolved to change the use of the net proceeds such that the unutilized net proceeds in the amounts of approximately HK\$385.4 million from "strategic acquisitions and investments in property management companies" under "business expansion" will be re-allocated to: (i) fund the strategic acquisitions and investments in target companies engaging in environmental sanitation, medical beauty and tourism and accommodation totaling approximately HK\$151.8 million; (ii) allow a further allocation of approximately HK\$58.4 million to "further diversify the Group's community value-added service offerings to cover housekeeping services, community elderly care and healthcare service" under "enrich community value-added service offerings" and expand the coverage to include also "agricultural and sideline products and breeding and decoration services"; and (iii) allow a further allocation of approximately HK\$175.2 million to be used for "working capital and other general corporate purposes". Upon completion of such changes, the relevant proceeds will be utilized in the following manner:

- Approximately 40.0% will be used to pursue selective strategic investment and acquisition opportunities to further expand business scale and geographic coverage and broaden service offerings;
- Approximately 20.0% will be used to enrich the Group's community value-added service offerings;
- Approximately 15.0% will be used to upgrade the Group's information technology infrastructure and promote smart community management;
- Approximately 25.0% will be used for general business purpose and working capital.

Further details on the utilisation of the net proceeds for the year ended December 31, 2024 will be disclosed in the annual report of the Company for the year ended December 31, 2024.

EMPLOYEES AND REMUNERATION POLICY

Human resource has always been the most valuable resource of the Group. As of December 31, 2024, the Group had a total of 9,289 full-time employees. For the year ended December 31, 2024, the staff cost recognised as expenses of the Group amounted to approximately RMB768.6 million (2023: approximately RMB600.5 million).

The Group has established a competitive incentives and performance assessment system, providing equity incentives and performance-based salaries and bonuses. The Group provides incentives based on evaluation of employees' performance in a number of areas, such as investment development, value-added services, basic service quality and overall performance. The Group provides incentives and dividend on a combination of monthly, quarterly, annual and mid-to-long-term basis, and on regular and matter-specific basis, to motivate the employees' contribution. According to the relevant PRC laws and regulations, the Group makes contributions to social insurance fund, including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance, and housing provident fund for the benefit of the PRC employees.

The Group focuses on cultivating talents and providing different systematic training catering to individual needs. For example, the Group provides senior management with training on improvement of post-listing management and operational awareness, mid-level management with training on risk prevention and new business development empowerment, project managers with training on business professionalism and standardized operation, management trainees with training on improvement of basic-level management and professionalism etc., and continuously establishes and optimizes a hierarchical talent cultivation system to clear the development path for talents. As of December 31, 2024, the Group organized approximately 1,475 training sessions, with over 9,200 participants.

SIGNIFICANT EVENTS AFTER THE RELEVANT YEAR

There have not been any significant events taken place that have a material impact on the Group from December 31, 2024 and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability system. The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code during the Relevant Year.

COMPLIANCE WITH THE 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 the code of conduct regarding securities transactions by its Directors, supervisors of the Company (the “**Supervisors**”) and employees (the “**Securities Dealing Code**”). The Company has made specific enquiries with all the Directors and Supervisors on whether they have complied with the required standard as set out in the Model Code for the Relevant Year and all the Directors and Supervisors confirmed that they have complied with the Model Code and the Securities Dealing Code for the year ended December 31, 2024.

No incident of non-compliance was found by the Company during the Relevant Year. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Securities Dealing Code and written guidelines on no less exacting terms than the Model Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the Relevant Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares). As at December 31, 2024, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and monitor the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit. The Audit Committee consists of three members, namely Mr. Xu Shaohong Alex, Mr. Zhang Wenge and Mr. Jin Wenhui. The chairman of the Audit Committee is Mr. Xu Shaohong Alex, while Mr. Jin Wenhui, a member of Audit Committee, who holds appropriate accounting qualification.

REVIEW OF ANNUAL RESULTS

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 December 31, 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 December 31, 2024.

SCOPE OF WORK OF SHINEWING CERTIFIED PUBLIC ACCOUNTANTS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Group's external auditor, ShineWing Certified Public Accountants LLP (“**ShineWing**”), to the amounts set out in the Group's audited consolidated financial statements for the Relevant Year. The work performed by ShineWing in this respect did not constitute an assurance engagement in accordance with auditing standards issued by the Chinese Institute of Certified Public Accountants and consequently no assurance has been expressed by ShineWing on this announcement.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, for the Relevant Year and up to the date of this announcement, the Company had maintained sufficient public float of at least 25% of the Company's total number of issued shares as required under the Listing Rules.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Friday, June 27, 2025 (the “**2024 AGM**”) and a notice of the 2024 AGM will be published by the Company and despatched to the Shareholders (if requested) in due course.

FINAL DIVIDEND

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

PUBLICATION OF AUDITED ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.roiserv.com. The annual report of the Company containing all the information required under the Listing Rules will be dispatched to the Shareholders (if requested) and made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Roiserv Lifestyle Services Co., Ltd.
Geng Jianfu
Chairman and Executive Director

Langfang, the PRC, March 31, 2025

As at the date of this announcement, the executive Directors are Mr. Geng Jianfu, Ms. Liu Hongxia and Mr. Long Xiaokang; the non-executive Director is Mr. Zhang Wenge; and the independent non-executive Directors are Mr. Jin Wenhui, Mr. Xu Shaohong Alex and Mr. Tang Yishu.

Any discrepancy between totals and sums of individual amounts listed in any table are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.