恒大物業
EVERGRANDE PROPERTY SERVICES

Evergrande Property Services Group Limited
恒 大 物 業 集 團 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6666)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

Financial Summary

For the year ended 31 December 2023:

- The Group had an operating revenue of approximately RMB12,486.5 million, representing a year-on-year increase of approximately 5.7%.
- The Group had a gross profit of approximately RMB3,108.4 million, representing a year-on-year increase of approximately 14.3%, and the gross profit margin of approximately 24.9%, representing a year-on-year increase of approximately 1.9 percentage points.
- The Group had a net profit of approximately RMB1,563.8 million, representing a year-on-year increase of approximately 5.8%, and the net profit margin of approximately 12.5%, which was basically the same as that of 2022.
- Profit attributable to owners of the Company amounted to approximately RMB1,541.2 million and basic earnings per share was approximately RMB0.14.

As at 31 December 2023, the Group had a total contracted GFA of approximately 800 million sq.m. and the GFA under management of approximately 532 million sq.m.. The newly signed contracted GFA from third parties amounted to approximately 23.09 million sq.m. during the year.

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2023.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

		For the year ended 31 December	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
Revenue	*5*	**12,486,544**	11,809,176
Cost of sales		**(9,378,096)**	(9,090,093)
Gross profit		**3,108,448**	2,719,083
Other income	*6*	**206,650**	156,763
Other losses	*7*	**(151,294)**	(3,791)
Impairment losses on financial assets		**(140,172)**	(108,832)
Fair value (losses)/gains on investment properties		**(2,433)**	232
Administrative and marketing expenses		**(909,429)**	(777,358)
Operating profit		**2,111,770**	1,986,097
Fair value gains on financial assets at fair value through profit or loss		**48,455**	7,102
Finance costs	*9*	**(54,768)**	(56,202)
Profit before income tax		**2,105,457**	1,936,997
Income tax expenses	*10*	**(541,645)**	(458,423)
Profit for the year		**1,563,812**	1,478,574
Profit attributable to:			
– Owners of the Company		**1,541,199**	1,422,679
– Non-controlling interests		**22,613**	55,895
		1,563,812	1,478,574
Other comprehensive income			
Item that maybe reclassified subsequently to profit or loss			
Exchange difference arising on translation of financial statements of foreign operations		**518**	2,849
Total comprehensive income for the year		**1,564,330**	1,481,423
Total comprehensive income attributable to:			
– Owners of the Company		**1,541,717**	1,425,528
– Non-controlling interests		**22,613**	55,895
		1,564,330	1,481,423
Earning per share			
– Basic and diluted	*11*	**RMB0.14**	RMB0.13

Consolidated Statement of Financial Position

		At 31 December	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
Assets			
Non-current assets			
Property and equipment		**58,643**	57,680
Right-of-use assets		**28,507**	69,255
Intangible assets		**1,646,599**	1,986,971
Investment properties		**5,220**	40,253
Investments accounted for using equity method		**39,615**	32,532
Deferred tax assets		**498,164**	65,836
Total non-current assets		**2,276,748**	2,252,527
Current assets			
Trade and other receivables	*13*	**3,508,637**	3,199,307
Prepayments		**31,495**	36,734
Inventories		**2,365**	–
Financial assets at fair value through profit or loss		**420,654**	3,180
Restricted cash		**125,667**	88,044
Cash and cash equivalents		**1,880,850**	1,567,979
Total current assets		**5,969,668**	4,895,244
Total assets		**8,246,416**	7,147,771
Equity			
Share capital	*14*	**7,060**	7,060
Reserves		**(6,082,397)**	(6,305,377)
Retained earnings		**5,607,762**	4,290,073
Equity attributable to owners of the Company		**(467,575)**	(2,008,244)
Non-controlling interests		**486,786**	495,479
Total equity (deficit)		**19,211**	(1,512,765)

	Notes	At 31 December 2023 RMB'000	2022 RMB'000
Liabilities			
Non-current liabilities			
Borrowings		**–**	66,667
Other payables		**177,852**	–
Lease liabilities		**18,181**	124,784
Contingent consideration payables		**2,753**	51,208
Deferred tax liabilities		**151,482**	201,276
Total non-current liabilities		**350,268**	443,935
Current liabilities			
Contract liabilities	*5*	**2,649,350**	2,688,029
Trade and other payables	*15*	**3,937,708**	4,925,270
Current tax liabilities		**1,187,544**	278,068
Lease liabilities		**102,335**	142,201
Borrowings		**–**	183,033
Total current liabilities		**7,876,937**	8,216,601
Total liabilities		**8,227,205**	8,660,536
Total equity and liabilities		**8,246,416**	7,147,771

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Evergrande Property Services Group Limited (the "**Company**") was incorporated in the Cayman Islands on 13 March 2020 as an exempted company with limited liability under the Companies Act (Cap. 22. Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's ultimate holding company is China Evergrande Group, an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are primarily engaged in the provision of property management services, community living services, asset management services and community operation services.

The consolidated financial statements is presented in Renminbi ("**RMB**") and rounded to nearest RMB'000, unless otherwise stated.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(i) Compliance with Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Companies Ordinance (Cap.622) ("HKCO")

The consolidated financial statements of the Company has been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and disclosure requirements of the HKCO.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, financial assets at fair value through profit or loss and contingent consideration payables that are measured at fair values at the end of each reporting period.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(iii) Going concern assumptions

As at 31 December 2023, the net current liabilities and net assets of the Group amounted to approximately RMB1,907,269,000 and approximately RMB19,211,000 respectively (as at 31 December 2022: net current liabilities at approximately RMB 3,321,357,000 and net liabilities at approximately RMB1,512,765,000 respectively). The above matters indicated that the Group would need to secure a substantial amount of funds in the foreseeable future to finance these financial obligations under various contractual and other arrangements.

In view of the above circumstances, the directors of the Company have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 December 2023. The directors are of the opinion that, taking into account the following actions during the year ended 31 December 2023 and plans and measures to be taken, the Group will have sufficient working capital to meet its financial obligations up to 31 December 2024.

— The Group has reached agreements with certain creditors (including trade payables and related parties), agreeing not to demand immediate repayment of the liabilities when they fall due for the next twelve months from 31 December 2023;

— The Group has been actively negotiating with the creditors of consideration payable for business combinations to revise the repayment plan; and

— The directors of the Company are currently implementing and will continue to further implement cost control in operating and other expenses, in order to improve the operating and financial position of the Group.

On the basis that all these measures can be implemented successfully, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as they fall due and accordingly the consolidated financial statements for the year ended 31 December 2023 has been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2023.

3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3.1 Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

3.2 *Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies*

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2024.

[3] Effective for annual periods beginning on or after 1 January 2025.

The Group has already commenced an assessment of the impact of these new or revised standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the financial performance and position of the Group is expected when they become effective.

4. SEGMENT INFORMATION

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

During the years ended 31 December 2023 and 2022, the Group is principally engaged in the provision of property management services, community living services, asset management services and community operation services in the PRC. Management reviews the operating results of the business as a single operating segment as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is the same in different regions.

The principal operating entities of the Group are domiciled in the PRC and the majority of revenue is derived in the PRC during the years ended 31 December 2023 and 2022.

As at 31 December 2023 and 2022, the majority of the non-current assets of the Group were located in the PRC.

5. REVENUE

Revenue mainly comprises of proceeds from property management services, community living services, asset management services and community operation services. An analysis of the Group's revenue by category for the years ended 31 December 2023 and 2022 is as follows:

	2023	2022
	RMB'000	*RMB'000*
Property management services		
– Basic property management services	**10,227,388**	9,440,560
– Value-added services to non-property owners	**91,130**	88,093
	10,318,518	9,528,653
Community living services	**809,252**	624,159
Asset management services	**740,369**	707,779
Community operation services	**618,405**	948,585
	12,486,544	11,809,176
Timing of revenue recognition		
– Over time	**11,779,227**	11,255,221
– At a point in time	**707,317**	553,955
	12,486,544	11,809,176
Type of customers		
– Related parties *(Note 16)*	**113,712**	140,523
– Third parties	**12,372,832**	11,668,653
	12,486,544	11,809,176

In the current year, the Group reorganised its internal reporting structure which resulted in changes to the categories of revenue. Prior year revenue category disclosures have been represented to conform with the current year's presentation.

For the years ended 31 December 2023 and 2022, revenue provided by the Group to the fellow subsidiaries and joint ventures of China Evergrande Group contributed approximately 0.9% and 1.2% of the Group's revenue, respectively.

Other than the fellow subsidiaries and joint ventures of China Evergrande Group, the Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the years ended 31 December 2023 and 2022.

(a) Contract liabilities

i. The Group has recognised the following revenue-related contract liabilities:

	At 31 December		At 1 January
	2023	2022	2022
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities			
– Basic property management services	**2,582,650**	2,654,505	2,891,673
– Community living services	**13,535**	9,918	17,341
– Asset management services	**19,072**	6,043	79,945
– Community operation services	**34,093**	17,563	91,190
	2,649,350	2,688,029	3,080,149

ii. Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2023	2022
	RMB'000	*RMB'000*
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
– Basic property management services	**2,330,815**	2,397,850
– Community living services	**9,918**	17,341
– Asset management services	**6,043**	79,945
– Community operation services	**17,563**	91,190
	2,364,339	2,586,326

(b) Unsatisfied performance obligations

For basic property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis or settlement cycle. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The majority of the basic property management services contracts do not have a fixed term. The term of the contracts with non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community living services, asset management services and community operation services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

(c) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2023 and 2022, there was no significant incremental costs to obtain a contract.

6. OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
Government grants (Note a)	**92,216**	119,653
Income from compensation of non-fulfilment of performance guarantee (Note b)	**29,216**	–
Income from overdue fine	**15,801**	4,258
Interest income	**16,228**	9,082
Share of profits in associates and joint ventures	**8,621**	2,892
Others	**44,568**	20,878
	206,650	156,763

Notes:

(a) Government grants mainly consisted of additional input value-added tax deduction, tax refund for employment of retired soldiers and refund of paid unemployment insurance. There were no unfulfilled conditions or contingencies attached to the grants.

(b) As some of the acquired target companies failed to complete the performance guarantee, the consideration payment of approximately RMB29,216,000 should be deducted in accordance with the terms of the Equity Transfer Agreement and recognised as other income in current year.

7. OTHER LOSSES

	2023	2022
	RMB'000	*RMB'000*
Net foreign exchange gains	**(213)**	(2,328)
Impairment loss on goodwill	**145,602**	–
Impairment loss on other intangible assets	**5,736**	6,119
Loss on disposal of investment properties	**169**	–
	151,294	3,791

8. EXPENSES BY NATURE

	2023	2022
	RMB'000	*RMB'000*
Employee benefit expenses	**5,627,747**	5,329,374
Greening and cleaning expenses	**1,756,609**	1,758,697
Maintenance costs	**790,811**	777,346
Utilities	**539,045**	522,792
Short-term and low value lease expenses	**169,421**	172,306
Tax and other levies	**58,658**	71,417
Office expenses	**92,899**	128,780
Travelling and entertainment expenses	**58,923**	43,578
Costs of security	**54,553**	66,268
Depreciation and amortisation charges	**222,470**	355,073
Community activities expenses	**51,661**	38,558
Bank charges	**25,521**	22,609
Uniform costs	**14,792**	13,356
Auditors' remuneration	**4,850**	4,500
Service fees	**167,533**	224,115
Professional fees	**64,185**	39,144
Penalties and overdue payments	**147,160**	41,724
Costs of goods sold	**387,814**	199,880
Others	**52,873**	57,934
	10,287,525	9,867,451

9. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Interest on borrowings	**10,869**	14,450
Interest on lease liabilities	**987**	7,124
Interest on consideration payables	**3,705**	9,521
Other finance costs (Note a)	**39,207**	25,107
	54,768	56,202

Note a: Other finance costs represented the finance expenses contained in the one-off discount offered by the Group to the individual property owners for their advanced payments of property management fees.

10. INCOME TAX EXPENSES

	2023	2022
	RMB'000	*RMB'000*
Current tax	**621,767**	428,098
Deferred tax	**(80,122)**	30,325
	541,645	458,423

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

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the current period in respect of operations in Hong Kong.

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate is 25% for the years ended 31 December 2023 and 2022. Certain subsidiaries and branches of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% during the years ended 31 December 2023 and 2022. The subsidiaries and branches of the Group located in Hainan Province are qualified to enjoy the preferential income tax rate of 15% since 1 January 2020.

11. EARNING PER SHARE

Basic earning per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the years ended 31 December 2023 and 2022.

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2023 and 2022. Diluted earning per share is equal to basic earning per share.

	2023	2022
Profit attributable to owners of the Company (RMB'000)	**1,541,199**	1,422,679
Weighted average number of ordinary shares in issue (in thousands)	**10,810,811**	10,810,811
Basic and diluted earning per share	**RMB0.14**	RMB0.13

12. DIVIDENDS

No dividend has been declared or paid by the Company for the years ended 31 December 2023 and 2022.

13. TRADE AND OTHER RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables *(note i)*	**3,046,591**	2,739,020
Value added tax recoverable	**34,810**	22,985
Other receivables *(note ii)*	**427,236**	437,302
	3,508,637	3,199,307

(i) Trade receivables

	2023	2022
	RMB'000	*RMB'000*
Trade receivables		
Related parties *(Note 16)*	**2,257,835**	2,464,090
Third parties	**3,661,636**	3,084,954
Gross trade receivables	**5,919,471**	5,549,044
Less: allowance for impairment of trade receivables		
– Related parties *(Note 16)*	**(2,251,242)**	(2,455,691)
– Third parties	**(621,638)**	(354,333)
	3,046,591	2,739,020

(ii) Other receivables

	2023	2022
	RMB'000	*RMB'000*
Ultimate holding company		
– Financial guarantees	**13,400,000**	13,400,000
Less:		
– Enforcement of financial guarantees pledged	**(13,400,000)**	(13,400,000)
	–	–
Other related parties *(Note 16)*	**11,716**	11,770
Third parties		
– Payments on behalf of property owners *(Note c)*	**395,058**	296,749
– Deposits	**115,957**	153,044
– Others	**59,184**	53,102
Gross other receivables	**581,915**	514,665
Less: allowance for impairment of other receivables		
– Third parties	**(154,679)**	(77,363)
Total other receivables	**427,236**	437,302

(a) Trade receivables mainly arise from basic property management services income under lump sum basis. Basic property management services income is received in accordance with the terms of the relevant services agreements.

(b) As at 31 December 2023 and 2022, the aging analysis of the trade receivables based on date of revenue recognition and net of loss allowance was as follows:

	2023	2022
	RMB'000	*RMB'000*
0 to 180 days	**1,563,624**	1,543,731
181-365 days	**613,792**	546,284
1 to 2 years	**571,109**	505,592
2 to 3 years	**298,066**	142,722
Over 3 years	**–**	691
	3,046,591	2,739,020

(c) Payments on behalf of property owners mainly represented utilities costs of properties.

(d) As at 31 December 2023 and 2022, trade and other receivables were denominated in RMB and the carrying amounts of trade and other receivables approximate their fair values.

14. SHARE CAPITAL

	Number of ordinary shares	**Nominal value of ordinary shares**	**Equivalent nominal value of ordinary shares**
		USD'000	*RMB'000*
Authorised:			
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	100,000,000,000	10,000	70,000
Issued:			
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	10,810,811,000	1,081	7,060

15. TRADE AND OTHER PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payable *(Note a)*		
Related parties *(Note 16)*	**375,003**	267,345
Third parties	**1,040,364**	1,646,059
	1,415,367	1,913,404
Accrued payroll	**521,055**	574,926
Other payable		
Amounts temporarily received from/on behalf of property owners or lessors *(Note b)*	**350,663**	348,124
Deposits	**405,714**	337,690
Other tax payables	**171,609**	214,588
Considerations payable for business combinations	**595,394**	772,225
Others	**655,758**	764,313
	2,179,138	2,436,940
	4,115,560	4,925,270
Less: Non-current portion	**(177,852)**	–
Current portion	**3,937,708**	4,925,270

(a) As at 31 December 2023 and 2022, the aging analysis of the trade payables based on goods and services received was as follows:

	2023	2022
	RMB'000	*RMB'000*
Up to 1 year	**1,106,311**	1,661,300
1 to 2 years	**232,988**	209,330
2 to 3 years	**62,917**	35,599
More than 3 years	**13,151**	7,175
	1,415,367	1,913,404

(b) The amounts mainly represented utilities expenses temporarily collected from the property owners to be paid to related service providers and rental income collected from leases to be returned to the property owners.

(c) As at 31 December 2023 and 2022, trade and other payables were denominated in RMB and the carrying amounts of trade and other payables approximate their fair values.

16. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties.

	2023	2022
	RMB'000	*RMB'000*
Revenue from rendering of services		
– Controlled by the Group's ultimate holding company	**77,847**	93,169
– Joint ventures of the Group's ultimate holding company	**35,865**	47,354
	113,712	140,523
Purchase of goods and services		
– Controlled by the Group's ultimate holding company	**8,000**	83,539
Leasing car parking spaces		
– Controlled by the Group's ultimate holding company	**108,260**	30,910

The transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

Starting from September 2021, due to China Evergrande Group's liquidity difficulties, the management of the Group expects the inflow of economic benefits from China Evergrande Group is not virtually certain. Since the property services customers involve all the property owners and various aspects of the community, which has integrality and indivisibility as a whole, it is impracticable to exclude China Evergrande Group from providing property management services to those vacant properties. Hence, no additional costs have been incurred and the Group continues to provide property management services to China Evergrande Group. The Group estimates that the amount of the service income for the year ended 31 December 2023 to be approximately RMB420,813,000. No revenue is recognised in respect of the property management services delivered to, while the Group will endeavour to take reasonable measures to collect the receivables from the relevant parties in accordance with the relevant laws and applicable agreements to actively safeguard the interests of the Group.

(b) Balances with related parties:

The Group had the following balances with related parties.

	2023	2022
	RMB'000	*RMB'000*
Trade receivables		
– Controlled by the Group's ultimate holding company	**2,083,525**	2,354,584
– Joint ventures of the Group's ultimate holding company	**174,310**	109,506
	2,257,835	2,464,090
Less: allowances for impairment of trade receivables (charged to profit or loss)	**(2,251,242)**	(2,455,691)
	6,593	8,399

	2023	2022
	RMB'000	*RMB'000*
Other receivables		
– Controlled by the Group's ultimate holding company	**11,716**	11,770

	2023	2022
	RMB'000	*RMB'000*
Prepayments		
– Controlled by the Group's ultimate holding company	**1,439**	1,581

	2023	2022
	RMB'000	*RMB'000*
Trade payables		
– Controlled by the Group's ultimate holding company	**372,122**	267,055
– Joint ventures of the Group's ultimate holding company	**2,881**	290
	375,003	267,345

	2023	2022
	RMB'000	*RMB'000*
Other payables		
– Controlled by the Group's ultimate holding company	**176,371**	158,555
– Joint ventures of the Group's ultimate holding company	**7,135**	621
	183,506	159,176

(i) The above trade receivables, prepayments and trade payables are trading nature, interest free and repayable according to terms in contracts.

(c) Key management compensation:

Compensations for key management other than directors is set out below:

	2023	2022
	RMB'000	*RMB'000*
Salaries, bonuses and other benefits	**2,552**	1,984
Contributions to pension scheme expenses	**114**	104
	2,666	2,088

17. EVENT AFTER THE REPORTING PERIOD

The Group has the following events subsequent to the end of the reporting period:

(i) In relation to the enforcement of the financial guarantee pledged ("**Deposit Pledges**"), the wholly owned subsidiaries of the Company have filed the following proceedings with the Guangzhou Intermediate People's Court of Guangdong Province, the PRC, in requesting the China Evergrande Group and liable parties to repay the Deposit Pledges together with estimated interest. Further details of this event are set out in the Company's announcement dated 26 January 2024.

(ii) On 29 January 2024, the Company's ultimate holding company, China Evergrande Group, has been ordered to be wound up by the Hong Kong High Court. Further details of this event are set out in the Company's announcement dated 29 January 2024.

SUMMARY OF INDEPENDENT AUDITORS' REPORT

The following is a summary of the independent auditor's report on the consolidated financial statements of Evergrande Property Services Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2023 issued by its external auditor, Prism Hong Kong and Shanghai Limited ("**Prism**"):

OPINION

We have audited the consolidated financial statements of Evergrande Property Services Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS OF OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to note 2 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. As at 31 December 2023, the Group had the net current liabilities and net assets of the Group amounted to approximately RMB1,907,269,000 and approximately RMB19,211,000 respectively (as at 31 December 2022: net current liabilities at approximately RMB 3,321,357,000 and net liabilities at approximately RMB1,512,765,000 respectively) as of that date. These conditions, together with the other matters set out in note 2 to the consolidated financial statements, indicate that there are material uncertainties that may affect the Group's ability to continue as a going concern. The Group is implementing various measures to improve its liquidity. On the basis that all these measures can be successfully implemented, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as they fall due and accordingly, the consolidated financial statements have been prepared on a going concern basis. In respect of this matter, our opinion has not been modified.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, I am pleased to present the annual results of the Group for the year ended 31 December 2023.

In 2023, with the gradual clearing of risks in the property industry, property enterprises were actively seeking independent development and were at a stage of redevelopment, restarting and scaling new heights. Based on the new stage of development, the Group returned to the nature of property services, further integrated its own strengths, sought truth and pragmatism, built up its strengths and move towards new development. Guided by the principle of "strengthening the fundamentals, improving efficiency, stabilizing growth and seeking breakthroughs (固根本、提效能、穩增長、尋突破)", the Group organically combined the implementation of lean operation with deepening service innovation, drove the upgrading of property management to a high quality and diversified level with value-added services, strengthened customer loyalty, assisted in the construction of a diversified community, and better satisfied the growing needs of property owners for a better life; at the same time, it adhered to market-oriented development to promote the achievement of high-quality and sustainable development of the Company.

With the concerted efforts of all staff, the Group's results in 2023 were solid, with an overall rebound and a solid progress towards high-quality development. As at 31 December 2023, the Group had a total contracted gross floor area ("**GFA**") of approximately 800 million sq.m., and the GFA under management of approximately 532 million sq.m., and the newly signed contracted GFA from third parties of approximately 23.09 million sq.m. during the year. The Group endeavoured to satisfy the diversified and multi-tiered residential living needs of its customers, effectively enhancing the value of its services and contributing to the rebound of the Group's results. For the year ended 31 December 2023, the Group achieved an operating revenue of approximately RMB12,486.5 million, representing a year-on-year growth of approximately 5.7%; among which, community living services performed outstandingly, achieving revenue of approximately RMB809.3 million, representing a year-on-year growth of approximately 29.7%; asset management services advanced steadily, achieving revenue of approximately RMB740.4 million, representing a year-on-year growth of approximately 4.6%. Profit growth was resilient and the Group's profit for 2023 was significantly higher than that for 2022, with gross profit of approximately RMB3,108.4 million, representing a year-on-year growth of approximately 14.3% and gross profit margin of approximately 24.9%, representing a year-on-year increase of approximately 1.9 percentage points; net profit of approximately RMB1,563.8 million, representing a year-on-year growth of approximately 5.8%, and net profit margin of approximately 12.5%, which is basically the same as that of 2022. Profit attributable to owners of the Company was approximately RMB1,541.2 million and basic earnings per share was approximately RMB0.14.

In 2023, while the Group continued to develop vigorously, we always insisted on giving back to the society and endeavoured to achieve a win-win situation for our customers, employees, the community, investors and partners. We had always taken serving our customers as the backbone of our development, building a platform for communication between the community, property owners and property, and making concerted efforts to solve the "urgent, difficult, worrying and hopeful (急難愁盼)" of community residents. In addition, we took the initiative to assume social responsibility and wrote down our commitment with our actions. We actively carried out a number of social welfare activities, such as supporting the military and the family (擁軍優屬), assisting farmers (助農扶農), solving employment problems, rescuing and relief, caring for the elderly, and providing convenient services to the public, etc., which had won us extensive praise from various levels of governments and property owners.

The Group adheres to the principles of consolidation and innovation (固本開新), seeking changes and adapting to changes, and takes quality enhancement as the key point of development, continues to strengthen its internal dynamics, enhances its product capabilities and improves its service quality through continuous improvement and innovation. The Group will continue to maintain strategic certainty, develop innovative thinking, insist on seeking progress amidst stability, and consolidate stability with progress, so as to ensure that the Company will achieve reasonable growth in quantity and effective enhancement in quality, and implement a new model of high-quality and independent development.

Insisting on providing sensational services and building a solid foundation for the Company's stable development. We firmly believe that " service is the foundation of our existence (服務是立身之本)", always uphold the service concept of "to the customer, to the front line (向客戶、向一線)", around the " refine quality, improve efficiency, grasp the implementation, strengthen leadership, shape the brand (精品質、提效能、抓落實、強引領、塑品牌)" goal guide, from the customer satisfaction, in-depth insight into the needs of different customer segments, to capture the key touchpoints of the customer's complete line of action, to formulate a targeted service strategy and operational processes. Meanwhile,we also create service surprises as appropriate to enhance service quality and optimize customer experience. At the same time, the Group will establish a quality assessment system, carry out quality control from the customers' perspective, strengthen the supervision of service quality and key processes, and continue to improve the training and assessment incentive mechanism, so as to gradually create a favourable atmosphere for internal enhancement by means of timely incentives, internal co-operation and territory-wide support, etc., to further ensure that high-quality services will be delivered on the ground. The Group will continue to launch quality enhancement initiatives to make its services more granular, three-dimensional and standardized, and to promote the continuous iteration of property services towards "high quality, accessible and warm (高品質、可觸達、有溫度)", thereby contributing to the dual enhancement of customer satisfaction and brand reputation.

Continuing to build the "Jinbi Home (金碧家)" good living service system and promoting the upgrading of property services. Taking meeting customers' expectations for a better life as our starting point, we will focus on the core tracks of community group-buying, to-home services and home decoration and home furnishing to deepen and intensify our efforts. We will continue to improve the layout of our community business network, extensively pool together internal and external high-quality service resources, and meticulously construct an "online + offline" integrated and convenient consumption environment, and made great efforts to promote business integration and synergistic development, so as to further enhance the breadth and depth of our community coverage. Meanwhile, in order to ensure customer experience, the Group, adhering to the business concept of "quality is the lifeline (品質就是生命線)", has gradually adjusted its business model from co-operative operation to self-operated operation, introduced talents in the industry, fostered professional service teams, and systematically set up mechanisms for quality management, business training, process control, service evaluation, and survival of the fittest (優勝劣汰), so as to enhance the ability of verticalisation of its operation, and to gradually form a distinctive professional brand and to promote its business out of the community to serve the society. The Group will continue to explore more new products and new models that meet customer needs and have development potential, and to build a new ecology of good living services in an orderly manner, so as to provide sustainable momentum for the Company's long-term growth.

Continuing to specialize in asset management services and helping property owners to revitalize their assets quickly by relying on the advantages of community venues. Relying on its natural advantages in property services, the Group has adopted professionalism, dedication, honesty and commitment as its service standards, providing property owners with integrated operational services such as assets consultation, valuation, leasing and sales, custody and agency services around the entire lifecycle of the property owners' assets, so as to help property owners with different needs to safeguard the value of their assets, and to keep the assets operation vibrant. The Group has vigorously developed its rental and sales business and accelerated its self-operated business in accordance with the path of "pilot-driven, typically guided, comprehensively promoted (試點帶動、典型引路、全面推開)". By upgrading its shops, unifying its service standards and building a professional team, the Group has continued to enhance its professional service capability and support the property owners to achieve the optimal integration, preservation and appreciation of their assets through providing professional brokerage services with high-quality and caring.

Further strengthening our market expansion capabilities and achieving scale expansion with high quality. With the "Jinbi" brand as the core, the Group has linked up with its three independent brand companies (Yatai, Futian and Jiebaili), focusing on key cities and stock markets, and carrying out regional deep ploughing, deep ploughing of industries, deep ploughing of customers and deep ploughing of projects, so as to build up benchmark projects in different regions and subsectors, and to enhance the impact of the Company's brand, and to realize the Company's rapid expansion across the entire industry from point to point, and to promote the Company's scale and efficiency to achieve steady growth. The Group has continued to optimize its investment and development team by tilting resources appropriately, adjusting the appraisal mechanism and increasing incentives to fully mobilize the investment and development team's motivation. Through the "City Partner (城市合夥人)" scheme, the Group has deeply integrated the resources of second-tier and third-tier cities, broadened the channels for the reserve of bidding projects, and set up a database of tenders and bidding information, so as to realize highly efficient and precise expansion of projects; and at the same time, it has implemented refined operation of projects to rapidly increase the profits of the projects, thereby enhancing the Company's efficiency and realizing high-quality scale expansion.

Comprehensively implementing the "to the front line (向一線)" culture and working together to help the enterprise grow with resilience. Adhering to the concept of "talent is the first resource", the Group is guided by strategic needs and continues to improve the mechanism for the whole chain of work in cultivating, introducing, using, evaluating and motivating talents, with a view to building a positive, energetic and cohesive team with excellence, so as to enable grassroots employees to participate in the management and make concerted efforts to develop together with the enterprise and better provide quality and efficient services. At the same time, the Group will carry out the three requirements of "getting down to earth, focusing on problems, and strengthening learning (落到實處、聚焦問題、加強學習)", promote management cadres at all levels to continue to go deep into the front line, pay attention to the property owners' hotspots, difficulties, and pains, and through on-the-spot diagnosis and pulse checking, really find out the right problems and put forward the right solutions to improve the level of service by constantly innovating the work ideas in practice. The Group will insist on seeking development power inward and breaking service boundaries outward, using a good talent team as the support for business development to ensure high-quality service output and sustainable operation of the enterprise.

Continuously deepening the leadership of party building and promoting the integration of property management into grassroots governance. The Group will continue to explore the model of "party building + property management" and actively build red venues such as community discussion halls, party members' activity rooms, convenient service stations and party members' vanguard posts, so as to realize the concept of "having a venue for discussion, a place for leisure and a person to take care of the services (議事有陣地、休閒有去處、服務有人管)", and to build a bridge among the property, the community and the residents, so as to promote the in-depth integration of "red property" and grassroots governance, and to jointly build a better home. At the same time, all staff are called upon to learn party history and attend party classes, so that the "red spirit" is internalized in their hearts and externalized in their actions, and that they will always keep the issue of residents' services in their hearts and hands, and really do practical things, solve difficult problems, increase energy efficiency, and continue to enhance the residents' sense of well-being and contentment.

At present, the pressure of the external environment and the risks of related parties still exist, the Group still needs to continuously improve its internal skills, deepen the quality of its services, intensify its market-oriented development, continue to enhance its operational efficiency, control its operational risks and strengthen the effectiveness of its management in order to consolidate the foundation of a stable and upward trend, and to ensure a stable and healthy operation in its path of high-quality development. In the new journey, we will continue to promote high-quality development as the theme, and insist on seeking progress amidst stability and promoting stability through progress, so as to make the pace of development more solid, more powerful and more sustainable.

Duan Shengli
Chairman of the Board

Hong Kong, 27 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Upholding quality and building a strong foundation for property services development

The Group has always adhered to the service concept of "to the customer, to the frontline (向客戶、向一線)", and has been paying constant attention to the quality of its services to continuously enhance customer experience. During the year, the Group sent its management staff to projects for exchanges and training so as to enhance their service awareness and level of service in practice. The Group also summarized and promoted the effective practices and typical experiences of various projects in a timely manner through various forms such as seminars, information presentations and case studies, and selected outstanding service practitioners so as to continuously enhance the power of high-quality service and win the reputation of our customers. At the same time, the Group has deepened the surprise design of its services in high-frequency service scenarios and continuously upgraded the quality of its services by focusing on the sequences of safety, order, maintenance, cleaning, greening and housekeeping, etc. It has also increased and refurbished its community facilities through the "Ever Happiness Community CARE Plan (恒幸福社區CARE 計劃)" to promote the growth of the community against the age of the community, and organized a series of humanistic activities such as the Pleasure & Sports Festival (悦動節), the Young Flowers Festival (花young節), the Filial Affection Festival (孝悌節) and the Warm Winter Festival (暖冬節), etc., to stimulate the vitality of the community, and take various measures and paths to empower property owners to live a better life.

Precise focusing and developing community living services

Taking serving property owners as its fundamental starting point, the Group has gained deep insights into the diversified needs of property owners in the areas of "clothing, food, housing and transportation", and has continuously optimized and perfected the "Jinbi Home (金碧家)" good living service system. Currently, the Group has made in-depth preparations in community group-buying, to-home services, home decoration and home furnishing, and other sub-sectors, and is committed to providing customers with a full chain, comprehensive and diversified community living services.

During the year, the Group constructed more complete specialized capabilities through in-depth integration and collaboration of resources, systematically improved the quality of its services, and continuously strengthened the reputation of its customers, thus achieving an increase in the conversion rate and repurchase rate of its customers. The Group has vigorously developed its community group-buying business, formed a team to select products at source, deepened its festive season marketing model, fully utilized the "Mall + Community + Stores" three-dimensional service network, and formed a "short, flat and fast (短、平、快)" sales method for pop-up products, which has effectively boosted the rapid expansion of the community group-buying business, with revenue for the year increasing by approximately 138.7% as compared with that of 2022. The Group has built the "Jinbi to Home (金碧到家)" living services brand in depth, and through the establishment of a professional housekeeping team and the improvement of the business closed-loop operation system, the Group has realized the incubation of the housekeeping self-operated business from "0 to 1", which has significantly improved the quality of services, and revenue for the year increased by approximately 46.8% as compared with 2022. In addition, the Group has gradually transformed its home decoration and home furnishing business into a self-operated business model. Selecting the sale of electrical appliances as an entry point, the Group has created activities such as the "Ever Preferred Home Appliances Festival (恒優選家電節)" and the "Smart Lock Sizzle Day (智能鎖秒殺日)", which have vigorously boosted the sales of home living products.

At the same time, we have been actively exploring diversified development through cross-border co-operation by focusing on the diversified needs of our customers throughout their life cycle and family growth cycle. We have already set up emerging businesses such as community recreation and healthcare and community tourism to further enrich the community livng service matrix and to build a convenient service circle with perfect functions and quality services.

Upgrading service and enhancing satisfaction with asset management services

Leveraging its advantage in on-site property services, the Group has accurately grasped the core needs of its customers in asset management, continued to optimize its asset management business processes and standards, and enhanced the service capabilities of its car parking space leasing, housing rental and sales businesses, in order to provide property owners with one-stop closed-loop services in assets value management that are professional, efficient, transparent and reassuring. During the year, the Group proactively deployed its housing rental and sales business, accelerated the expansion of its self-operated scale, and continuously enhanced the professionalism of its rental and sales team through continuous training in knowledge and skills, in order to provide customers with comprehensive services and protection for the entire process of real estate transactions and to realize rapid revitalization of customers' assets. Through professional and standardized operation, the Group's housing rental and sales business achieved faster growth during the year, with revenue increasing by approximately 97.1% as compared with 2022.

Multi-branding to promote the Company's market-oriented development

The Group has always regarded market expansion as the main growth method to enhance its management scale and efficiency. Based on the diversified brand development strategy of "Jinbi+(金碧+)", the Group has deeply integrated the service advantages of each brand company and actively tapped into the resources of inventory and non-residential sectors to provide stable protection for the Company's scale growth. During the year, the Group achieved remarkable results in market expansion, with a newly signed contracted GFA of approximately 25.5 million sq.m., of which approximately 91% was from third parties. Meanwhile, the Group continued to enhance the quality of its outbound team, deepen its bidding and tendering capacity, and utilize flexible and diversified modes of co-operation to promote the Group's diversified business layout. During the year, the Group expanded a total of 339 external projects with an annual saturation revenue of over RMB700 million, and successfully developed a large number of landmark projects involving a wide range of industries such as public buildings, railways and transportation, hospitals and industrial parks as well as city public services.

Multi-pronged approach to forging a high-quality talent team

The Group has always regarded talents as the cornerstone of its development and insisted on using outstanding talents to lead our corporate development. During the year, we continued to improve our multi-dimensional evaluation and incentive assessment mechanism, and extensively launched wide-ranging appraisal activities for various business lines at the grassroots level and for the Group's backbone, to create a favourable atmosphere of "walking with excellence and advancing with those who strive for excellence (與優秀者同行,與奮鬥者共進)", and to enhance the overall quality of our talent team by setting a good example. At the same time, we always uphold the management concept of " serving the frontline with practical work (躬身實幹,服務一線)", and continue to carry out the exchange and research actions of cadres at all levels to go into the front-line projects, listen to the voices of employees and customers, solve the project problems, share the outstanding service experience, and continue to promote the innovative development of the front-line projects, so as to promote the high-quality development of the Company wholeheartedly.

Future Development and Planning

Insisting on striving for excellence, cultivating a "to the frontline" culture, and focusing on enhancing customer satisfaction

The Group will continue to take customer satisfaction as its core driving force, closely surround the first-line high-frequency service scene, innovate its service approach based on the time and space dimensions, and reward customers' new expectations with more than expected and surprising services, enhance its service capabilities and service synergies by "grasping details, standards, regulations and quality (抓細節、抓標準、抓規範、抓質量)", and promote the level of high-quality services to a new level. On the basis of strengthening the hard power of service, the Group will pay more attention to the construction of humanistic life in the community, launch a series of customer relationship enhancement activities for different customer groups, and strengthen cross-border co-operation with local public welfare and charitable organizations in order to enhance the happiness experience of customers and further consolidate the soft power of service. At the same time, we will give full play to the service advantages of the "Jinbi+" multi-brand, and create nationwide service benchmarking projects in different industries to form replicable and promotable demonstration experiences, so as to lead high-quality development with high standards, continuously enhance the brand image, and help the brand upgrade and renew itself.

Linking up with customers' needs, promoting the quality and expansion of the community living business, and facilitating the development of value-added service brand

The Group will continue to focus on customer experience, deepen its segment management of customer base, and optimize and expand its personalized lifestyle service products according to local needs, in order to further enrich the "Jinbi Home" service product matrix. At the same time, the Group will focus on improving the quality and efficiency of its pre-sales, sales and after-sales services, and will strengthen the competitiveness of its products by focusing on the three major areas of product, sales and merchant management, in order to create more value for its customers. In terms of community group purchasing, we will take advantage of our products as a breakthrough, actively expand our customer base to a larger scale, optimize the supply chain and increase the selection of products in supplemental areas, and ensure strict selection of quality to achieve revenue and profitability; in terms of to-home services, we will implement the "City Cloud Group (城市雲團)" plan in key cities, and through the demonstration of the effects of excellent projects, we will cover the surrounding areas with a point-to-point effect, so as to push forward the effective expansion of our business; and in terms of home decoration and home furnishing, we will use home appliances single bulk products as an entry point and develop self-operated home decoration services such as balcony sealing and wall renovation, in order to provide customers with one-stop solutions for home decoration, furniture and home appliances, with a view to achieving a steady increase in the scale of our business.

Revitalizing stock assets and strengthening full-cycle asset management capabilities to help property owners continue to grow the value of their assets

The Group is committed to being a trusted asset guardian for its customers, with the core objective of helping customers preserve and increase the value of their assets. Focusing on the three core elements of "property, customers and team", we will continue to enhance our asset management service capabilities and provide one-stop full-cycle asset management services to our customers. The Group will continue to focus on the rental and sales business, fully utilizing its service advantages of proximity, familiarity and reliability, and with the objective of "assets enhancement, speedy transaction, safe and worry-free (資產增值、快速成交、安全省心)", the Group will carry out refined management of community properties, and through on-site research and information consolidation, it will build up a detailed spectrum of properties to accurately match customers with their ideal residences. At the same time, we will formulate differentiated development plans based on project characteristics and market demand, and roll out self-operated shops in an orderly manner to enhance the operational efficiency of our projects. In addition, we will rapidly improve the quality of our team and optimize the quality of our rental and sales services through the establishment of a training system and an improved assessment mechanism. We will also strengthen our linkages with other businesses to provide extended housing services, so that our customers can experience convenient, efficient and comprehensive quality services.

Focusing on effective growth and adhering to a market-oriented expansion strategy, we will open up more room for growth in the long term

The Group will continue to focus on the diversified brand development strategy of "Jinbi+", taking into account factors such as development needs, brand positioning, profitability and value-added room, and leveraging on its strengths in professional services, resource integration and regional synergies, the Group will implement the "lane fighting plan (巷戰計劃)" to target at the projects under its management and to expand its peripheral projects, so as to continue to expand its regional density and concentration of services. At the same time, the Group will continue to plough into key cities, improve the "city partner" mechanism, tap into potential customer groups, and continue to make efforts in the third-party market. Leveraging on its high-density coverage of households, the Group is expected to superimpose more community ecosystem services and promote the development and nurturing of value-added services, which will further open up the Company's room for development.

Igniting the talent engine, stimulating the competitiveness and creativity of the team, and injecting long-term momentum for the sustainable development of the enterprise

The Group is determined to promote the strategy of strengthening the enterprise with talents, and to provide strong momentum for the high-quality development of the enterprise by gathering excellent talents, optimizing the allocation of talents and stimulating the potential of talents. The Group will adhere to the talent strategy of combining internal cultivation and external introduction, implement the appropriately advanced employment mechanism and fault-tolerance mechanism, and continue to improve the selection and nurturing system that emphasizes both incentives and constraints, so as to realize the benign cycle of those who are capable, rewarded by those who are excellent, and those who are mediocre are let go, and those who are inferior are eliminated; at the same time, the Group will give full play to its exemplary effect by way of post training and skill competitions, so as to create a favourable atmosphere of more commitment, more contribution, and more performance, and to stimulate the vitality of the talent team in all aspects. In addition, the Group will further construct a well-defined and closely-connected training system to ensure the continuity and relevance of talent cultivation, so as to create a new force that will be passed on, and to provide solid talent protection for the sustainable development of the enterprise.

FINANCIAL REVIEW

Profit for the year

During the year, the net profit of the Group was approximately RMB1,563.8 million, representing an increase of approximately 5.8% as compared with approximately RMB1,478.6 million in 2022, and the net profit margin was approximately 12.5%, which was basically the same as compared with 2022. This was mainly attributable to (i) the steady increase in the Company's overall revenue as a result of the efforts of the Board of Directors and the management of the Company to adjust its business development strategy in a timely manner and focus on the "Property Services + Living Services" model to provide value-added services such as high-quality community living services, asset management services and community operation services to a wide range of property owners and tenants; (ii) the effective reduction of operating costs through the implementation of measures such as stringent budgeting, flexible employment of labour, centralized procurement and information technology construction; and (iii) the management of the Company, in order to ensure the healthy operation and sustainable development of the Company, has effectively reduced the management expenses by strictly controlling the establishment and remuneration of the management staff in phases, continuously reduced administrative and office expenses, etc., so as to keep the management expense ratio at a relatively low level.

During the year, profit attributable to owners of the Company was approximately RMB1,541.2 million, representing an increase of approximately 8.3% as compared with approximately RMB1,422.7 million in 2022.

Revenue

The Group's revenue is mainly derived from four business segments: (i) property management services; (ii) community living services; (iii) asset management services; and (iv) community operation services. For the year ended 31 December 2023, the Group's total revenue was approximately RMB12,486.5 million, representing a year-on-year increase of approximately 5.7%.

The following table sets out a breakdown of revenue by business segment of the Group for the periods indicated:

	For the year ended 31 December 2023		For the year ended 31 December 2022		
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue	Growth rate
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*	*(%)*
Property management services	**10,318,518**	**82.6**	9,528,653	80.7	8.3
– Basic property management services	**10,227,388**	**81.9**	9,440,560	80.0	8.3
– Value-added services to non-property owners	**91,130**	**0.7**	88,093	0.7	3.4
Community living services	**809,252**	**6.5**	624,159	5.3	29.7
Asset management services	**740,369**	**5.9**	707,779	6.0	4.6
Community operation services	**618,405**	**5.0**	948,585	8.0	-34.8
Total	**12,486,544**	**100.0**	11,809,176	100.0	5.7

(i) Property management services

During the year, revenue from property management services amounted to approximately RMB10,318.5 million, representing a year-on-year increase of approximately 8.3%. Among them:

1. Revenue from basic property management services amounted to approximately RMB10,227.4 million, representing a year-on-year increase of approximately 8.3%, which was mainly attributable to the increase in the Group's GFA under management.

   As of 31 December 2023, the Group had a total GFA under management of approximately 532 million sq.m., representing an increase of approximately 32 million sq.m. as compared with the total GFA under management of approximately 500 million sq.m. in 2022.

The following table sets out the changes in revenue from basic property management services by business segment of the Group for the periods indicated:

Project Sources	**As of 31 December 2023**		As of 31 December 2022		
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue	Growth rate
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*	*(%)*
Residential/commercial, etc.	**8,494,959**	**83.1**	7,824,452	82.9	8.6
Public construction projects	**1,559,236**	**15.2**	1,475,017	15.6	5.7
City public service	**173,193**	**1.7**	141,091	1.5	22.8
Total	**10,227,388**	**100.0**	9,440,560	100.0	8.3

2. During the year, revenue from value-added services to non-property owners was approximately RMB91.1 million.

   In 2023, due to the liquidity crisis of related parties and based on the principle of robustness, the Group's revenue from property management services during the year excluded revenue from basic property management services such as management of vacant properties relating to related parties of approximately RMB420.8 million [Note]. Without such exclusion, the revenue from property management services would have been approximately RMB10,739.3 million.

   Note: For details, please refer to "Transactions with related parties" in Note 16(a) to the consolidated financial statements.

(ii) Community living services

During the year, revenue from community living services amounted to approximately RMB809.3 million, representing a year-on-year increase of approximately 29.7%, which was mainly attributable to (i) the Group's deep exploration of property owners' high-frequency and immediate needs, focusing on community group purchasing services, focusing on the core categories, adhering to the business concept of "selection at source, service at home, and after-sale service without any worries (源頭甄選、服務到家、售後無憂)", establishing professional product selection and marketing teams, introducing property owners' daily high-frequency consumer goods in accordance with local conditions, and maintaining the operational activity of the local community, and creating local characteristic group purchasing products and pop-up products, thereby expanding its revenue from operations; (ii) focusing on self-operated housekeeping services to win the trust of property owners by strictly controlling the quality of services, gradually cultivating the consumer habit of "if you want housekeeping, look for the property (要家政,找物業)" among property owners, and earning a good reputation among customers, so as to achieve a " Going in both directions (雙向奔赴)" with property owners while significantly increasing operating revenue.

(iii) Asset management services

During the year, revenue from asset management services amounted to approximately RMB740.4 million, representing a year-on-year increase of approximately 4.6%, which was mainly attributable to (i) the Group's proactive efforts in expanding the scale of rental and sale of self-operated businesses, and the significant increase in revenue from the business as a result of the enhancement of business expertise and customer satisfaction through the building of a professional team, strengthening of business publicity, and the optimization of incentives schemes, etc; and (ii) changes in the mode of the car parking space leasing business as a result of the disposal of assets of the related parties, resulting in a slower growth in revenue as compared with 2022.

(iv) Community Operation Services

During the year, revenue from community operation services amounted to approximately RMB618.4 million, representing a year-on-year decrease of approximately 34.8%, which was mainly attributable to the impact of the less-than-expected general market environment and the decrease in the merchants' willingness to place advertisement spots and the demand for venue rental, which resulted in a decrease in the Group's revenue from the relevant business.

The following table sets out a breakdown of by the Group's revenue sources for the periods indicated:

Revenue sources	**For the year ended 31 December 2023**		For the year ended 31 December 2022	
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*
Related parties	**113,712**	**0.9**	140,523	1.2
Third parties	**12,372,832**	**99.1**	11,668,653	98.8
Total	**12,486,544**	**100.0**	11,809,176	100.0

Cost of sales

The Group's cost of sales include staff costs, greening and cleaning costs, facilities and equipment repair and maintenance costs, energy costs, taxes and other levies.

During the year, the Group's cost of sales increased by approximately 3.2% from approximately RMB9,090.1 million in 2022 to approximately RMB9,378.1 million in 2023, which was mainly attributable to (i) the continuous expansion of the Group's chargable GFA under management and the diversification of the Group's business, which resulted in the increase in the corresponding costs of various categories; and (ii) the increase in the corresponding procurement costs due to the Group's strong efforts in the development of the community living services.

Gross profit and gross profit margin

The following table sets out the breakdown of gross profit and gross profit margin by the Group's business segments for the periods indicated:

	For the year ended 31 December 2023		For the year ended 31 December 2022	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*
Property management services	**2,199,937**	**21.3**	1,811,737	19.0
– Basic property management services	**2,190,394**	**21.4**	1,803,140	19.1
– Value-added services to non-property owners	**9,543**	**10.5**	8,597	9.8
Community living services	**201,585**	**24.9**	136,031	21.8
Asset management services	**419,289**	**56.6**	341,418	48.2
Community operation services	**287,637**	**46.5**	429,897	45.3
Total	**3,108,448**	**24.9**	2,719,083	23.0

During the year, the Group's overall gross profit was approximately RMB3,108.4 million, with a gross profit margin of approximately 24.9%, representing a year-on-year increase of approximately 1.9 percentage points.

1. In respect of property management services, the gross profit margin increased by approximately 2.3 percentage points from approximately 19.0% in 2022 to approximately 21.3% in 2023. Among them, the gross profit margin of basic property management services increased by approximately 2.3 percentage points from approximately 19.1% in 2022 to approximately 21.4% in 2023, which was mainly attributable to the Group's focus on quality scale expansion and proactive exit from projects with poor operating efficiency, as well as the enhancement of cost control and improvement of operating efficiency.

2. In respect of community living services, gross profit margin increased by approximately 3.1 percentage points from approximately 21.8% in 2022 to approximately 24.9% in 2023, which was mainly attributable to (i) the Group's continuous optimization of its profitability model, (ii) effective reduction of operating costs through the utilisation of information technology; and (iii) effective reduction of marketing and promotional costs in line with the enhancement of the reputation of the business and the professionalism of the team.

3. In respect of asset management services, gross profit margin increased by approximately 8.4 percentage points from approximately 48.2% in 2022 to approximately 56.6% in 2023, which was mainly attributable to: (i) the expansion of the self-operated scale of the rental and sales of housing business, the establishment of a professional team and the enhancement of per capita efficiency, which led to an increase in gross profit margin; and (ii) the optimization of the operation mode of the community cultural and entertainment complex building, and the expansion of the leasing scale, which effectively lowered the operating costs while increasing the rental income.

4. In respect of community operation services, gross profit margin increased by approximately 1.2 percentage points from approximately 45.3% in 2022 to approximately 46.5% in 2023. The business operation tends to be stable and the gross profit is basically flat.

Administrative and marketing expenses

During the year, the administrative and marketing expenses of the Group increased by approximately 17.0% from approximately RMB777.4 million in 2022 to approximately RMB909.4 million in 2023. The main reason was that three subsidiaries of the Group recognized bad debt losses in respect of the enforced pledged deposits of RMB13.4 billion in 2021-2023 with partial pre-tax deduction. The Group received a notice from the tax authority on 26 January 2024, which considered that the Group failed to provide sufficient supporting materials in respect of the bad debt losses, and there was a risk of underpayment of enterprise income tax and as a result, the Company incurred the relevant late payment of approximately RMB111.9 million, which was included in the administrative and marketing expenses for the current period. For details of the matter, please refer to the Company's voluntary announcement dated 26 January 2024.

Other income

During the year, other income was approximately RMB206.7 million, representing an increase of approximately 31.8% as compared with approximately RMB156.8 million in 2022. This was mainly due to: (i) the consideration payment for the non-completion of performance guarantee of some of the acquired subsidiaries, which should have been deducted in accordance with the terms of the relevant equity transfer agreement, was recognized as other income in the current year; (ii) the increase in interest income due to the higher average balance of the Group's bank deposits as compared with the corresponding period of 2022; and (iii) the decrease in subsidies from the value-added tax and other tax incentives compared with 2022.

Other losses

For the year ended 31 December 2023, the Group's net other losses were approximately RMB151.3 million, as compared with net other losses of approximately RMB3.8 million for 2022. The increase in net other losses was mainly due to the increase in impairment of goodwill and intangible assets of approximately RMB145.2 million during the year.

Fair value gains on financial assets at fair value through profit or loss

During the year, investment income from financial assets at fair value through profit or loss amounted to approximately RMB48.5 million, representing an increase of approximately RMB41.4 million as compared with approximately RMB7.1 million in 2022. This was mainly due to the supplemental agreement on equity transfer entered into between the Group and the acquired subsidiary, the Group reversed approximately RMB48.5 million of trading financial liabilities estimated in prior periods during this period.

Income tax expenses

During the year, the Group's income tax expense amounted to approximately RMB541.6 million, representing an increase of approximately 18.2% as compared with approximately RMB458.4 million in 2022, which was mainly due to the steady growth in operating profit achieved during the year as compared with 2022.

Right-of-use assets

The Group's right-of-use assets mainly comprise assets such as office premises, staff quarters and operating lease assets leased by the Group. As at 31 December 2023, the Group's leased assets amounted to approximately RMB28.5 million, representing a decrease of approximately RMB40.8 million as compared of approximately RMB69.3 million as at 31 December 2022, which was mainly attributable to the decrease in the remaining lease term of the operating leased assets.

Intangible assets

The Group's intangible assets include property contracts, customer relationships, software and goodwill.

As at 31 December 2023, the intangible assets of the Group amounted to approximately RMB1,646.6 million, representing a decrease of approximately RMB340.4 million as compared with approximately RMB1,987.0 million as at 31 December 2022, which was mainly attributable to the impairment and amortization of goodwill, customer relationships and property management contracts recognized by the acquired subsidiary incurred during the year of approximately RMB341.1 million.

Trade and other receivables

As at 31 December 2023, the Group's trade receivables amounted to approximately RMB3,046.6 million, representing an increase of approximately RMB307.6 million as compared with approximately RMB2,739.0 million as at 31 December 2022, which was mainly attributable to the increase in trade receivables arising from the growth in the Group's total revenues and the new business expansion during the year.

The Group's other receivables increased by approximately RMB1.7 million from approximately RMB460.3 million as at 31 December 2022 to approximately RMB462.0 million as at 31 December 2023.

Trade and other payables

Trade and other payables comprise trade payables and other payables, of which other payables include temporary collections in lieu, deposits payable, consideration payable for mergers and acquisitions, wages and benefits payable, dividends payable, tax payable and projected liabilities.

As at 31 December 2023, the Group's trade payables amounted to approximately RMB1,415.4 million, representing a decrease of approximately RMB498.0 million (approximately 26.0%) as compared with approximately RMB1,913.4 million as at 31 December 2022, which was mainly attributable to the Group's increased efforts in clearing the stock of liabilities.

Other payables decreased by approximately RMB311.7 million (approximately 10.3%) from approximately RMB3,011.9 million as at 31 December 2022 to approximately RMB2,700.2 million as at 31 December 2023 (of which long-term payables were approximately RMB177.9 million and current payables were approximately RMB2,522.3 million), which was mainly due to the payment of consideration payable by the Group for acquisition transactions in previous years.

Contract liabilities

Contract liabilities mainly arose from prepayments made by customers for related services such as basic property management services and community value-added type of services that have not yet been provided. As at 31 December 2023, the Group's contractual liabilities amounted to approximately RMB2,649.4 million, which was basically unchanged from 2022.

Current tax liability

As at 31 December 2023, the Group had a current tax liability of approximately RMB1,187.5 million, representing an increase of approximately RMB909.4 million as compared with approximately RMB278.1 million as at 31 December 2022. This was mainly due to (i) three subsidiaries of the Group recognized bad debt losses in respect of the enforced pledged deposits of RMB13.4 billion in 2021-2023 with partial pre-tax deduction. The Group received a notice from the tax authority on 26 January 2024, which considered that the Group failed to provide sufficient supporting materials in respect of the bad debt losses. The Group was required to make corrective tax returns for 2021 and 2022, which involved the back payment of corporate income tax of approximately RMB650 million in aggregate; and (ii) corresponding income tax liabilities arising from the increase in operating profit for the period.

Liquidity and financial resources

As at 31 December 2023, the Group's total bank deposits and cash (including the Group's cash and cash equivalents and restricted cash) amounted to approximately RMB2,006.5 million, representing an increase of approximately RMB350.5 million as compared with approximately RMB1,656.0 million as at 31 December 2022, which was mainly due to the increase in the net cash inflow generated from operating activities of the Group during the year.

Of the Group's total bank deposits and cash, restricted bank deposits of approximately RMB125.7 million mainly represented the industry regulatory funds of Evergrande Insurance Agency Co., Ltd., deposits for the provision of property management services as required by local government authorities, cash restricted to projects managed on a remuneration basis only and funds for litigation preservation of some subsidiaries.

As at 31 December 2023, the Group had net current liabilities of approximately RMB1,907.3 million (31 December 2022: net current liabilities of approximately RMB3,321.4 million). The Group's current ratio (current assets/current liabilities) was approximately 0.8 times.

During the year, the Group repaid short-term borrowings of approximately RMB183.0 million and long-term borrowings of approximately RMB66.7 million as of 31 December 2022, representing a decrease in borrowings of approximately RMB249.7 million as compared with the beginning of the year.

As at 31 December 2023, the Group did not have any borrowing. Accordingly, the gearing ratio as at 31 December 2023 (calculated as total borrowings less lease liabilities divided by total equity at the dates indicated) was nil (31 December 2022: not applicable).

MAJOR RISKS AND UNCERTAINTIES

The major risks and uncertainties faced by the Group are set forth below. Such factors are not exhaustive and therefore other risks and uncertainties may also exist.

Industry risks

The operation of the Group may be affected by the regulatory landscape of the industry and related measures. The main reason is that the fees charged by property management companies for management services are strictly monitored and supervised by relevant regulatory authorities. The business performance of the Group depends on the contracted GFA, the chargeable GFA under management and the number of projects under management, but the business growth are affected and will likely continue to be affected by the People's Republic of China (the "**PRC**") government's regulations on the industry where the Group belongs.

Business risks

Whether the Group can maintain or improve its current level of profitability depends on whether it can maintain or improve its current scale and effectively control its operating costs. The Group's profit margins and results of operations may be materially and adversely affected by increases in labour costs or other operating costs. The Group cannot guarantee that it will be able to secure new property service contracts according to its plan or pursuant to appropriate schedule and price. The Group may not be able to recover related income including property management fees from customers, resulting in possible impairment losses in receivables. As a result of the liquidation of the controlling shareholder and the progress of the disposal of its assets, the Group may face the termination of some of the pre-contracted property management service contracts and may not be able to convert the contracted GFA in a timely and effective manner; the delay in delivery by the related parties may also affect the increase in the Group's collection rate; the change in profitability model of some of the related party-related businesses may result in a decline in the level of profitability of the related businesses; and the liquidation of the controlling shareholder may result in a change of shareholding of the Company, which may affect the stability of the operating team. The above factors may have a material adverse impact on the Group's business, financial conditions and results of operations.

Foreign exchange risks

The business of the Group is mainly located in China. Save for bank deposits denominated in foreign currencies, there is no major direct exchange rate fluctuation risk faced by the Group. During the year, the Directors expected that the RMB exchange rate would not have a material adverse effect on the operations of the Group. Currently, the Group has not entered into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor foreign exchange risks and adopt prudent measures to reduce potential exchange risks.

Risk of continuing as a going concern

The Group has incurred significant losses (the "**Losses**") as a result of the pledged deposits of RMB13.4 billion (the "**Deposit Pledge**") being enforced by the relevant banks. The Group's ability to continue as a going concern is dependent on having sufficient working capital to meet its financial obligations as they fall due within the next twelve months. As stated in Note 2 to the Group's consolidated financial statements, the Group has taken certain measures to address the uncertainty in continuing as a going concern, including strict control over the management's establishment and remuneration, streamlining the Group's operating costs, negotiating with suppliers and acquired companies on the extension of payment agreements, and enhancing internal controls to ensure the continued sound operation of the Company. The above measures have effectively alleviated the pressure on the Group's operating cash liquidity. In addition to the above, the Group has filed proceedings against China Evergrande Group and the relevant responsible parties for the recovery of the Losses to the Guangzhou Intermediate People's Court of Guangdong Province in the PRC and the proceedings were accepted by the court, however, due to the liquidity crisis of the related parties, the recovery of the Losses by the Group is still subject to significant uncertainties and the Company will keep the market informed of any progress in a timely manner by way of further announcement(s).

PLEDGE OF ASSETS

As at 31 December 2023, the Group pledged 80% of the equity interest of its subsidiary, Ningbo Yatai Hotel Property Services Co., Ltd., as the security of a bank loan. The Group repaid the bank loan owed in December 2023 and the risk was practically discharged, but the release of the pledge had not been completed on or before 31 December 2023.

As of the date of this announcement, the Group has completed the release of the aforesaid pledge.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group had contingent liabilities of performance guarantee reward and profit sharing of both parties during the guarantee period agreed in the equity transfer agreement.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2023, the Group had 91,482 employees. During the year, the total staff costs were approximately RMB5,627.7 million.

The employees were remunerated in accordance with the Group's remuneration and welfare policies with reference to the positions of employees, performance, profitability of the Company, industry level and market environment.

The Group has to participate in social insurance contribution plans or other retirement plans organized by local governments, and make contributions to social insurance funds monthly on behalf of employees for the payment of pension funds, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident funds, or make contributions to mandatory provident fund for employees regularly.

STAFF TRAINING AND DEVELOPMENT

Based on the three-level training mechanism of "headquarters-region-project", the Group is committed to implementing a 3-year campus recruitment programme for management trainees, trainings for new employees and key talent trainings. The Group organizes and conducts trainings on various professional skills, general aptitude, management ability and corporate culture in accordance with our business development needs and employee career planning, in order to improve the comprehensive quality and work capabilities of employees.

During the year, all staff participated in training, with a total of 1.375 million hours of training and an average of 15.0 hours of training per person.

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

During the year ended 31 December 2023, the Group did not have any significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

SHARE OPTION SCHEME

The share option scheme was approved and adopted by the shareholders of the Company at the extraordinary general meeting of the Company held on 10 May 2021. No share options had been granted since the adoption of the share option scheme up to 31 December 2023.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there have been no other material subsequent events that have occurred to the Group after 31 December 2023 and up to the date of this announcement.

Legal proceedings

In relation to the enforcement of the Group's deposit pledge by the relevant banks, the Board wishes to inform shareholders of the Company that a wholly-owned subsidiary of the Company has filed a relevant proceeding with the Guangzhou Intermediate People's Court of Guangdong Province, the PRC, requesting for the repayment of the deposit pledge amount together with the provisional interest by China Evergrande Group and the relevant parties. Please refer to the announcements of the Company dated 15 February 2023, 28 November 2023 and 26 January 2024 for details of the above matter.

Liquidation of controlling shareholder

China Evergrande Group, the controlling shareholder of the Company, was ordered by the High Court of Hong Kong to be wound up on 29 January 2024, please refer to the announcement of the Company dated 29 January 2023 in relation to the inside information on resumption of trading for details.

Change of Address of the Principal Place of Business in Hong Kong

With effect from 1 March 2024, the address of the principal place of business of the Company in Hong Kong was relocated from 15/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong to Room 2201, 22/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong. Please refer to the announcement of the Company dated 29 February 2024 for details.

Resignation of Company Secretary and Authorized Representatives, Appointment of Joint Company Secretaries and Authorized Representatives

Mr. Fong Kar Chun, Jimmy has resigned as the company secretary of the Company, the authorized representative of the Company under Rule 3.05 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and the authorized representative for the purpose of receiving process or notices on behalf of the Company in Hong Kong pursuant to Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (collectively the "**Authorized Representatives**") with effect from 22 March 2024. Mr. Hu Xu and Mr. Cheng Ching Kit ("**Mr. Cheng**") were appointed as joint company secretaries of the Company and Mr. Cheng was appointed as the Authorized Representatives with effect from 22 March 2024. Please refer to the announcement of the Company dated 22 March 2024 for details.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as the Company's corporate governance code. For the year ended 31 December 2023, the Company had complied with all the applicable code provisions of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the Company's code of conduct securities transactions by the Directors. The Company has made specific enquiry of all the Directors and they have confirmed that they have complied with the requirements set out in the Model Code throughout the year ended 31 December 2023.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2023.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company will be published and disseminated to the shareholders of the Company in the manner prescribed under the Listing Rules in due course.

AUDIT COMMITTEE

In accordance with the requirements of the CG Code and the Listing Rules, the Company has established an audit committee (the "**Audit Committee**") comprising three independent non-executive Directors, namely, Ms. Wen Yanhong (Chairman), Mr. Peng Liaoyuan and Mr. Dong Xinyi. The Audit Committee and the management of the Company have considered and reviewed the accounting principles and practices adopted by the Group and have discussed matters relating to risk management, internal control and financial reporting, including the review of the consolidated audited financial statements of the Group for the year ended 31 December 2023. The financial information, including the comparative figures, have been reviewed by the Audit Committee.

SCOPE OF WORK OF PRISM

The Group's auditor, Prism, have reconciled the figures set out in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes of the Group for the year ended 31 December 2023 as set out in this results announcement with the amounts set out in the Group's audited consolidated financial statements for that 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 results announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (https://www.hkexnews.hk) and the website of the Company (http://www.evergrandeservice.com). The annual report of the Company for the year ended 31 December 2023 containing all the information required under the Listing Rules will be disseminated to shareholders of the Company and will be made available for review on the same websites in due course.

By order of the Board
Evergrande Property Services Group Limited
Duan Shengli
Chairman

Hong Kong, 27 March 2024

As at the date of this announcement, the Board comprises Mr. Duan Shengli, Mr. Han Chao, Mr. Hu Xu as executive Directors; Mr. Sang Quan and Mr. Lin Wuchang as non-executive Directors; and Mr. Peng Liaoyuan, Ms. Wen Yanhong and Mr. Dong Xinyi as independent non-executive Directors.