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Ling Yue Services Group Limited

領悅服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2165)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS AND OPERATIONAL HIGHLIGHTS

Financial Highlights

- The Group's revenue for the year ended 31 December 2024 was RMB652.9 million, representing an increase of 7.2% compared with the corresponding period of 2023.
- The Group's gross profit for the year ended 31 December 2024 was RMB183.5 million, representing a decrease of 5.7% compared with the corresponding period of 2023.
- The net profit for the year ended 31 December 2024 was RMB86.2 million, representing a decrease of 17.6% compared with the corresponding period in 2023.
- As at 31 December 2024, the Group had 280 contracted projects, contracted GFA of 36.8 million sq.m., 272 projects under management and GFA under management of 31.6 million sq.m..
- The Board did not recommend the payment of final dividend for the year ended 31 December 2024 (2023: nil).

STATEMENTS AND NOTES

The board (the “**Board**”) of directors (the “**Directors**”) of Ling Yue Services Group Limited (the “**Company**”) is pleased to announce the consolidated annual results (the “**Annual Results**”) of the Company and its subsidiaries (together, the “**Group**” and “**we**”) for the year ended 31 December 2024 (the “**Year**”), together with the comparative figures for the corresponding period of 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (re-presented)
REVENUE	3	652,929	609,097
Cost of sales		<u>(469,397)</u>	<u>(414,381)</u>
Gross profit		183,532	194,716
Other income	4	9,720	10,622
Administrative expenses		(60,642)	(56,602)
Impairment losses on financial assets			
— Trade receivable		(14,769)	(16,001)
— Amounts due from related companies		(1,069)	8,274
— Other receivables		(1,062)	(2,952)
Impairment loss on goodwill		(11,988)	—
Loss on disposal of subsidiary		—	(8,128)
Other expenses		(406)	(3,383)
Share of profits of: Joint ventures		<u>955</u>	<u>1,030</u>
PROFIT BEFORE TAX	5	104,271	127,576
Income tax expense	6	<u>(18,068)</u>	<u>(22,955)</u>
PROFIT FOR THE YEAR		<u>86,203</u>	<u>104,621</u>
Attributable to:			
Owners of the parent		81,549	101,863
Non-controlling interests		<u>4,654</u>	<u>2,758</u>
		<u>86,203</u>	<u>104,621</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted			
— For profit for the year		<u>RMB0.29</u>	<u>RMB0.36</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000 (re-presented)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(841)	(569)
Income tax effect	126	85
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	(715)	(484)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	85,488	104,137
Attributable to:		
Owners of the parent	80,834	101,379
Non-controlling interests	4,654	2,758
	85,488	104,137

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		5,262	5,655
Goodwill		6,482	18,470
Other intangible assets		8,520	8,767
Investment in joint ventures		3,200	2,606
Equity investments designated at fair value through other comprehensive income		3,241	4,082
Deferred tax assets		9,088	5,698
		<hr/>	<hr/>
Total non-current assets		35,793	45,278
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		2,970	1,040
Trade receivables	9	135,609	121,032
Due from related companies		29,930	18,710
Prepayments and other receivables		52,831	48,632
Cash and bank balances		712,885	602,924
		<hr/>	<hr/>
Total current assets		934,225	792,338
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade payables	10	41,087	31,404
Other payables and accruals		127,845	120,283
Contract liabilities		161,830	132,563
Due to related companies		1,655	225
Tax payable		5,786	2,314
		<hr/>	<hr/>
Total current liabilities		338,203	286,789
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*31 December 2024*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
NET CURRENT ASSETS	<u>596,022</u>	<u>505,549</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>631,815</u>	<u>550,827</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>936</u>	<u>1,140</u>
Net assets	<u><u>630,879</u></u>	<u><u>549,687</u></u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	2,382	2,382
Reserves	<u>613,078</u>	<u>532,244</u>
	615,460	534,626
Non-controlling interests	<u>15,419</u>	<u>15,061</u>
Total equity	<u><u>630,879</u></u>	<u><u>549,687</u></u>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Ling Yue Services Group Limited (the “**Company**”) is incorporated and registered as an exempted company with limited liability in the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 12 July 2021. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the year, the Company and its subsidiaries (collectively reform as the “**Group**”) were mainly involved in the provision of property management services, value-added services to non-property owners and community value-added services.

The ultimate controlling shareholders of the Company are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “**Controlling Shareholders**”).

In the opinion of the Directors, the investment holding companies of the Company are Yuelai Holding Limited, Linghui Holding Limited, Tianyue Holding Limited, Tianyue Capital Limited, Fusheng Capital Holding Limited, Linghui Capital Limited, which are incorporated in the British Virgin Islands with limited liability, and controlled by the Controlling Shareholders.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Rules Governing the listing of securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following amendments to IFRSs which are effective for the Group's financial year beginning on 1 January 2024:

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
Property management services	579,688	519,833
Value-added services to non-property owners	22,374	43,285
Community value-added services	50,867	45,979
	652,929	609,097

Revenue from contracts with customers

(a) *Disaggregated information revenue from contracts with customers*

For the year ended 31 December 2024

	Property management services <i>RMB'000</i>	Value-added services to non-property owners <i>RMB'000</i>	Community value-added services <i>RMB'000</i>	Total <i>RMB'000</i>
Timing of revenue recognition				
Revenue recognised over time	579,688	21,033	16,014	616,735
Revenue recognised at a point in time	—	1,341	34,853	36,194
Total revenue from contracts with customers	<u>579,688</u>	<u>22,374</u>	<u>50,867</u>	<u>652,929</u>

For the year ended 31 December 2023

	Property management services <i>RMB'000</i>	Value-added services to non-property owners <i>RMB'000</i>	Community value-added services <i>RMB'000</i>	Total <i>RMB'000</i>
Timing of revenue recognition				
Revenue recognised over time	519,833	40,447	8,989	569,269
Revenue recognised at a point in time	—	2,838	36,990	39,828
Total revenue from contracts with customers	<u>519,833</u>	<u>43,285</u>	<u>45,979</u>	<u>609,097</u>

(b) Segment information

The board of directors being the chief operating decision makers, review the Group's revenue and profit as a whole, which are determined in accordance with the Group's accounting policies for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented except for major customers and geographic information.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

In 2024, revenue from Leading Holdings Group Limited and its subsidiaries ("**Leading Holdings Group**") contributed approximately RMB56,057,000 (2023: RMB68,880,000) 8.6% (2023: 11.3%) of the Group's revenue. Other than the revenue from Leading Holdings Group, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue both the years.

4. OTHER INCOME

	2024 RMB'000	2023 RMB'000
Government grants	1,982	2,238
Bank interest income	7,403	7,392
Others	335	992
	<u>9,720</u>	<u>10,622</u>

Government grant income mainly consists of incentive which has no specific conditions attached the grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2024 RMB'000	2023 RMB'000
Depreciation of property, plant and equipment	1,721	1,509
Amortisation of other intangible assets	2,175	2,368
Write-off of property, plant and equipment	29	—
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries and other allowances	261,223	229,633
Pension scheme contributions and social welfare	50,371	38,700
	<u>311,594</u>	<u>268,333</u>

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong did not have any assessable profit currently arising in Hong Kong for both years.

Under the Chinese Corporate Income Tax Law (“CIT”), the basic tax rate of the Company’s PRC subsidiaries is 25% except for Lingyue Service and its western branches taxed under western preferential tax rate of 15% and certain subsidiaries were subject to the preferential tax rate for small and low-profit enterprises of 5%.

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Current — Mainland China:		
Charge for the year	21,537	22,564
Deferred tax	(3,469)	391
	<hr/>	<hr/>
Total tax charge for the year	<u>18,068</u>	<u>22,955</u>

7. DIVIDENDS

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

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

The calculations of basic and diluted earnings per share are based on:

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	<u>81,549</u>	<u>101,863</u>

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>285,685,000</u>	<u>285,685,000</u>

No adjustments to diluted earnings per share for both years as there is no potential dilutive ordinary shares in issue during the years.

9. TRADE RECEIVABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	180,765	155,586
Less: allowance for impairment	<u>(45,156)</u>	<u>(34,554)</u>
	<u>135,609</u>	<u>121,032</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date or date of demand note, net of allowance for impairment, is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	103,024	97,070
1 to 2 years	21,790	14,196
2 to 3 years	8,102	7,219
Over 3 years	<u>2,693</u>	<u>2,547</u>
	<u>135,609</u>	<u>121,032</u>

10. TRADE PAYABLES

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	37,122	28,922
Over 1 year	3,965	2,482
	<u>41,087</u>	<u>31,404</u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

11. COMPARATIVE FIGURES

During the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, a detailed analysis of impairment losses on financial assets had been presented in the consolidated statement of profit or loss and other comprehensive income. Accordingly, the comparative figures had been amended to conform to the current year's presentation.

In addition, loss on disposal of subsidiary of approximately RMB8,128,000 for the year ended 31 December 2023, that was previously included in other expenses, was separately disclosed in the consolidated statement of profit or loss and other comprehensive income.

BUSINESS REVIEW

In 2024, against the backdrop of the impacts of sluggish economic performance, and fluctuations of the property management industry, the Group proactively responded to the complicated environment through comprehensive and systematic planning of the corporate vision and clearer way forward, and attained steadfast and great progress in various businesses as well as satisfactory results. We are convinced that people's desire for a better life has not changed.

Under the guidance of “pragmatic, professional and long-term” philosophy, the Group has continued to consolidate the fundamental property management business, reshaped its standardised system and formulated the development strategy of Ling Yue Services 3.0. During the Year, the Group's revenue amounted to RMB652.9 million, representing an increase of 7.2% as compared to the same period in 2023, and gross profit amounted to approximately RMB183.5 million, representing a decrease of 5.7% year-on-year. Net profit for the Year was approximately RMB86.2 million, representing a decrease of 17.6% over the same period in 2023.

Throughout the Year, the Group stuck to its development strategy of “deep cultivation in Southwest China, establishing a strong presence in Xinjiang, and pursuing nationwide development”, and focused on two growth poles of “Sichuan and Xinjiang”. As a result, the management scale achieved steady growth. Furthermore, the Group expanded its operations in sectors such as schools, parks, and public buildings, gradually advancing towards a comprehensive and diversified market.

OUTLOOK

In the face of the opportunities and challenges brought about by the rapid development of the industry, we will firmly uphold the service philosophy of “Friendship, Companionship, and Warmheartedness”. With quality as our foundation and warm services as our core, we will strengthen our operational fundamentals, prioritise value creation for customers, expand our service coverage, and persistently pursue long-term, high-quality corporate development.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Model of the Group

The Group has three business lines, namely, (i) property management services, (ii) value-added services to non-property owners and (iii) community value-added services, forming an integrated service offering to its customers that cover the entire value chain of property management.

- **Property management services.** The Group offers a wide range of property management services to property owners, residents and property developers, as well as tenants in non-residential properties under our management. The Group's services typically include security services, cleaning and greening services, and repair and maintenance services. The Group manages a diverse portfolio of properties, including residential properties, commercial properties and public and other properties.
- **Value-added services to non-property owners.** The Group offers value-added services to non-property owners, including (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.
- **Community value-added services.** The Group offers community value-added services primarily to property owners and residents to make their lives more convenient, such as (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

The Group offers comprehensive portfolio of property management services in order to diversify the Group's sources of revenue and achieve rapid growth. In recent years, the Group has been strengthening its community value-added service offerings. Leveraging its in-depth understanding of the needs of residents, the Group endeavors to further diversify its community value-added services. Community value-added services have been enhancing the Group's financial performance, as they typically generate higher profit margins, as compared to other types of property management services. The Group will continue to gain greater market shares and expand business presence in China.

Property Management Services

The Group has been providing property management services since its establishment in 2002. As at 31 December 2024, the Group's aggregate contracted GFA amounted to approximately 36.8 million sq.m., representing an increase of 1.3% as compared with the same time last year. As at 31 December 2024, the Group managed 272 properties with an aggregate GFA under management of approximately 31.6 million sq.m., representing an increase of 4.8% as compared with same time last year.

The following table sets forth the number of properties and GFA under the Group's management, as well as the number of properties the Group were contracted to manage and corresponding contracted GFA as at the dates indicated.

	As at 31 December	
	2024	2023
Number of properties under management ⁽¹⁾	272	249
Number of properties we were contracted to manage ⁽²⁾	280	253
GFA under management (<i>sq.m. in thousands</i>)	31,565	30,124
Contracted GFA (<i>sq.m. in thousands</i>)	36,838	36,372
Undelivered GFA (<i>sq.m. in thousands</i>) ⁽³⁾	5,273	6,248

Notes:

- (1) Refers to properties that have been delivered to the Group for property management purposes.
- (2) Refers to all properties for which the Group has entered into the relevant property management service agreements, which may include properties that have not been delivered to the Group for property management purposes in addition to properties under management.
- (3) Undelivered GFA is calculated as the difference between contracted GFA and GFA under management as of the dates indicated. The estimated time of delivery and revenue generation of the undelivered projects as at 31 December 2024 ranges from March 2025 to August 2031.

Geographic Presence of the Group

As at 31 December 2024, the Group has expanded its geographic presence to 33 cities, across 9 provinces, 1 autonomous region and 1 municipality. The following table sets forth a breakdown of total number of projects under management and GFA under management by geographic region as at the dates indicated, and revenue from property management services by geographic region for the years indicated below.

	As at/For the year ended 31 December							
	2024				2023			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Sichuan Province ⁽¹⁾	234	25,280	454,508	78.5	213	22,809	420,577	81.0
Xinjiang Uygur Autonomous Region ⁽²⁾	13	2,616	46,540	8.0	15	4,066	31,352	6.0
Guangdong Province ⁽³⁾	8	1,028	25,735	4.4	8	1,182	24,142	4.6
Jilin Province ⁽⁴⁾	4	674	21,496	3.7	3	598	18,986	3.7
Hebei Province ⁽⁵⁾	2	114	3,841	0.7	3	200	3,029	0.6
Henan Province ⁽⁶⁾	3	484	8,785	1.5	3	435	6,624	1.3
Hubei Province ⁽⁷⁾	1	396	7,012	1.2	1	396	6,993	1.3
Jiangsu Province ⁽⁸⁾	2	255	1,948	0.3	1	113	1,678	0.3
Guizhou Province ⁽⁹⁾	1	348	5,271	0.9	1	240	3,876	0.7
Chongqing Municipality	2	188	3,834	0.7	1	85	2,576	0.5
Fujian Province ⁽¹⁰⁾	2	182	718	0.1	—	—	—	—
Total	272	31,565	579,688	100.0	249	30,124	519,833	100.0

Notes:

- (1) The Group provided property management services to properties located in Chengdu, Emeishan, Guangyuan, Leshan, Luzhou, Meishan, Mianyang, Nanchong, Panzhihua, Xichang, Ya'an, Huili, Dazhou, Ziyang, Dujiangyan, Zigong and Chongzhou.
- (2) The Group provided property management services to properties located in Kashgar, Urumqi and Korla.

- (3) The Group provided property management services to properties located in Foshan, Shanwei and Huizhou.
- (4) The Group provided property management services to properties located in Changchun.
- (5) The Group provided property management services to properties located in Chengde.
- (6) The Group provided property management services to properties located in Luohe, Zhumadian and Xingyang.
- (7) The Group provided property management services to properties located in Jingzhou.
- (8) The Group provided property management services to properties located in Nanjing and Wuxi.
- (9) The Group provided property management services to properties located in Kaili.
- (10) The Group provided property management services to properties located in Xiamen.

The following table sets forth a breakdown of the Group's total number of contracted projects, contracted GFA and undelivered GFA by geographic region as at the dates indicated.

	As at 31 December					
	2024			2023		
	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)
Sichuan Province ⁽¹⁾	239	27,473	2,193	215	27,272	4,464
Xinjiang Uygur Autonomous Region ⁽²⁾	15	4,529	1,913	15	4,341	274
Guangdong Province ⁽³⁾	8	1,181	153	9	1,314	133
Jilin Province ⁽⁴⁾	4	674	—	3	598	—
Hebei Province ⁽⁵⁾	3	200	86	3	211	10
Henan Province ⁽⁶⁾	3	818	334	3	821	386
Hubei Province ⁽⁷⁾	1	396	—	1	396	—
Jiangsu Province ⁽⁸⁾	2	255	—	1	113	—
Guizhou Province ⁽⁹⁾	1	942	594	1	942	702
Chongqing Municipality	2	188	—	1	85	—
Hunan Province	—	—	—	1	279	279
Fujian Province ⁽¹⁰⁾	2	182	—	—	—	—
Total	280	36,838	5,273	253	36,372	6,248

Notes:

- (1) The Group was contracted to provide property management services to properties located in Chengdu, Emeishan, Guangyuan, Leshan, Luzhou, Meishan, Mianyang, Nanchong, Panzhihua, Xichang, Ya'an, Huili, Dazhou, Ziyang, Dujiangyan, Zigong and Chongzhou.
- (2) The Group was contracted to provide property management services to properties located in Kashgar, Korla and Urumchi.
- (3) The Group was contracted to provide property management services to properties located in Foshan, Shanwei and Huizhou.
- (4) The Group was contracted to provide property management services to properties located in Changchun.
- (5) The Group was contracted to provide property management services to properties located in Chengde.
- (6) The Group was contracted to provide property management services to properties located in Luohe, Zhumadian and Xingyang.
- (7) The Group was contracted to provide property management services to properties located in Jingzhou.
- (8) The Group was contracted to provide property management services to properties located in Nanjing and Wuxi.
- (9) The Group was contracted to provide property management services to properties located in Kaili.
- (10) The Group was contracted to provide property management services to properties located in Xiamen.

Source of Properties under Management

The Group primarily offers property management services to properties developed by Leading Holdings Group Limited and its subsidiaries (“**Leading Holdings Group**”). The following tables set forth a breakdown by developer type as at the dates indicated or the periods indicated of the Group’s (i) total number of projects under management and GFA under management, as well as revenue from property management services; and (ii) total number of contracted projects, contracted GFA and undelivered GFA.

Breakdown of the Group's Total Number of Projects under Management, GFA under Management and Revenue from Property Management Services by Developer Type

	As at/For the year ended 31 December							
	2024				2023			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Leading Holdings Group ⁽¹⁾	88	17,110	403,707	69.7	88	15,629	344,435	66.3
Joint ventures of Leading Holdings Group ⁽²⁾	4	390	7,802	1.3	12	1,609	26,219	5.0
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group ⁽³⁾	180	14,065	168,179	29.0	149	12,886	149,179	28.7
Total	272	31,565	579,688	100.0	249	30,124	519,833	100.0

Breakdown of the Group's Total Number of Contracted Projects, Contracted GFA and Undelivered GFA by Developer Type

	As at 31 December					
	2024			2023		
	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)
Leading Holdings Group ⁽¹⁾	94	19,452	2,342	89	18,442	2,813
Joint ventures of Leading Holdings Group ⁽²⁾	4	427	37	15	3,199	1,590
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group ⁽³⁾	182	16,959	2,894	149	14,731	1,845
Total	280	36,838	5,273	253	36,372	6,248

Notes:

- (1) Refers to properties solely developed by Leading Holdings Group or jointly developed by Leading Holdings Group and third-party property developers in which Leading Holdings Group held a controlling interest.
- (2) Refer to properties jointly developed by the Leading Holdings Group and third-party property developers in which the Leading Holdings Group did not hold a controlling interest.
- (3) Refer to properties developed solely by third-party property developers independent from Leading Holdings Group.

Type of Properties under Management

The Group primarily managed residential properties. The Group also managed other types of properties such as commercial properties and public and other properties. The following table sets forth a breakdown of the Group's total GFA under management by property type as at the dates indicated, and revenue from property management services by property type and stage of projects for the years indicated:

	As at/For the year ended 31 December							
	2024				2023			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Residential properties	134	24,159	434,101	74.9	141	24,091	374,208	72.0
— Preliminary stage ⁽¹⁾	111	19,400	355,906	61.4	116	19,733	310,598	59.8
— Property owners' association stage ⁽²⁾	23	4,759	78,195	13.5	25	4,358	63,610	12.2
Commercial properties	9	1,391	77,962	13.4	6	871	80,058	15.4
Public and other properties	129	6,015	67,625	11.7	102	5,162	65,567	12.6
Total	272	31,565	579,688	100.0	249	30,124	519,833	100.0

Notes:

- (1) Refers to residential property projects for which property owners' associations were not established as at the dates indicated.
- (2) Refers to residential property projects for which property owners' associations were established as at the dates indicated.

Value-added Services to Non-property Owners

The Group's value-added services to non-property owners include (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.

During the Year, revenue from value-added services to non-property owners decreased by 48.3% to approximately RMB22.4 million compared to approximately RMB43.3 million for the corresponding period of 2023, mainly due to a decrease in revenue from sales office management services and preliminary planning and design consultancy services. During the Year, the revenue from value-added services to non-property owners accounted for 3.4% of the total revenue. The following table sets forth a breakdown of the Group's revenue from value-added services to non-property owners for the years indicated.

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Preliminary planning and design consultancy services	4,012	17.9	6,845	15.9
Sales office management services	11,776	52.7	26,624	61.5
Pre-delivery services	299	1.3	2,095	4.8
Repair and maintenance services	5,684	25.4	7,710	17.8
Property transaction assistance services	603	2.7	11	—
Total	22,374	100.0	43,285	100.0

Community Value-added Services

The Group offers community value-added services to property owners and residents, including (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

During the Year, the revenue from community value-added services increased by 10.6% to approximately RMB50.9 million compared to approximately RMB46.0 million for the corresponding period of 2023, mainly due to an increase in revenue from community space management services and community retail services. During the Year, revenue from community value-added services accounted for 7.8% of total revenue.

The following table sets forth a breakdown of the Group's revenue from community value-added services for the years indicated.

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Community space management services	10,861	21.4	7,424	16.1
Decoration and turnkey furnishing services	25,374	49.8	24,739	53.8
Convenient living services	11,678	23.0	13,594	29.6
Community retail services	2,954	5.8	222	0.5
Total	50,867	100.0	45,979	100.0

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from three major businesses: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. During the Year, the Group's revenue amounted to approximately RMB652.9 million, representing an increase of approximately 7.2% compared with RMB609.1 million in the same period of 2023. The following table sets out the revenue contribution of each business line for the years indicated:

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	579,688	88.8	519,833	85.3
Value-added services to non-property owners	22,374	3.4	43,285	7.2
Community value-added services	50,867	7.8	45,979	7.5
Total	652,929	100.0	609,097	100.0

Property management services is still the largest source of revenue for the Group. For the year ended 31 December 2024, revenue from property management services reached approximately RMB579.7 million, accounting for 88.8% of the total revenue of the Group. Such revenue growth was attributable to an increase in GFA under management. The decrease in revenue from value-added services to non-property owners was mainly due to a decrease in revenue from sales office management services and preliminary planning and design consultancy services. The increase in revenue from community value-added services was mainly due to an increase in revenue from community space management services and community retail services.

Cost of Sales

The cost of sales of the Group mainly includes (i) staff costs; (ii) subcontracting costs; (iii) costs of consumables; (iv) utilities costs; (v) office expenses; and (vi) repair and maintenance costs.

During the Year, the cost of sales of the Group was approximately RMB469.4 million, representing an increase of approximately 13.3% compared with approximately RMB414.4 million for the corresponding period of 2023. The growth rate of the Group's cost of sales was basically the same as the growth rate of revenue.

Gross Profit and Gross Profit Margin

During the Year, the Group's gross profit decreased by approximately 5.7% from approximately RMB194.7 million for the corresponding period in 2023 to approximately RMB183.5 million.

During the Year, the gross profit margin of the Group decreased by 3.9 percentage points to 28.1% from 32.0% for the same period in 2023, mainly due to increased project investment to improve property quality, which has led to a decline in the gross profit margin.

The gross profit margin of the Group by business line is as follows:

	For the year ended 31 December		
	2024 gross profit margin %	2023 gross profit margin %	Changes in gross profit margin %
Property management services	27.2	30.7	-3.5
Value-added services to non-property owners	28.4	32.5	-4.1
Community value-added services	38.3	46.1	-7.8
Total	28.1	32.0	-3.9

Administrative Expenses

During the Year, the administrative expenses of the Group increased by approximately 7.1% from approximately RMB56.6 million for the same period in 2023 to approximately RMB60.6 million, mainly due to the increase in labor cost.

Income Tax Expense

During the Year, the income tax expenses of the Group decreased by approximately 21.3% from RMB23.0 million for the same period in 2023 to approximately RMB18.1 million. The trend was consistent with the decrease of profit of the Group during the Year. The decrease in income tax expenses was mainly due to the decrease in operating profit resulting from the impairment provision for goodwill.

Profit Attributable to Owners of the Company

During the Year, total comprehensive income attributable to owners of the Company for the period was approximately RMB81.5 million, representing a decrease of approximately 19.9% as compared with RMB101.9 million for the same period in 2023.

Trade Receivables

The Group's trade receivables mainly relate to income from property management services, value added services to non-property owners and community value-added services provided to independent third parties. As at 31 December 2024, the Group's trade receivables amounted to approximately RMB135.6 million, representing an increase of approximately RMB14.6 million or 12.0% as compared with RMB121.0 million as at 31 December 2023. The increase was due to an increase in revenue as a result of an increase in GFA under management.

Prepayments and Other Receivables

As at 31 December 2024, the Group's prepayments and other receivables amounted to approximately RMB52.8 million, representing an increase of approximately 8.6% compared with RMB48.6 million as at 31 December 2023.

Trade Payables

As at 31 December 2024, the Group's trade payables amounted to approximately RMB41.1 million, representing an increase of approximately 30.8% from approximately RMB31.4 million as at 31 December 2023. Such increase was mainly due to the increasing cost for the increased GFA under management of the Group.

Liquidity and Financial Resources

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet the funding requirements of the Group in the foreseeable future.

During the Year, the Group's principal use of cash was investment, information construction and working capital, which was mainly funded by proceeds from the Company's operations.

Cash Position

As at 31 December 2024, the Group had cash and bank balances of approximately RMB712.9 million (31 December 2023: RMB602.9 million).

Current Ratio and Gearing Ratio

As at 31 December 2024, the Group's current ratio (current assets to current liabilities) is approximately 2.8 (31 December 2023: 2.8). Gearing ratio is calculated based on the sum of interest-bearing borrowings as at the respective dates divided by total equity as at the same dates and multiplied by 100%. Gearing ratio is calculated based on the sum of interest-bearing borrowings as of the respective dates divided by total equity as of the same dates and multiplied by 100%. Gearing ratios of the Group as at 31 December 2024 is not meaningful because the Group's interest-bearing borrowings as at the same date was nil (as at 31 December 2023: nil).

Foreign Exchange Risk

The Group primarily operates its business in China. The currency in which the Group denominates and settles of its transactions is mainly RMB. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to Shareholders outside of the PRC. As at 31 December 2024, certain bank balances and cash were denominated in Hong Kong dollar, United States dollar and Australian dollar. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk as it is expected that there will be no material foreign exchange exposure.

Interest Rate Risk

As the Group had no significant interest-bearing assets and liabilities, the Group is not exposed to material risk directly relating to changes in market interest rate.

Pledge of Assets

As at 31 December 2024, the pledge deposit of the Group was RMB0.1 million (31 December 2023: RMB0.1 million).

Contingent Liabilities

As at 31 December 2024, the Group had no contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There was no material acquisition and disposal of subsidiaries, associated companies and joint ventures by the Group during the Year.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Year, there were no significant investments held by the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section “Future Plans and Use of Proceeds” in the prospectus of the Company dated 29 June 2021, the Group had no plan for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had 5,786 employees (31 December 2023: 5,644 employees). For the year ended 31 December 2024, the total staff costs were approximately RMB313.1 million and the total staff costs were approximately RMB269.5 million for the same period in 2023.

The Group will further enhance its employee training program with internal and external resources. The employee training programs primarily cover key areas in the Group’s business operations, which provide continuous training to its existing employees at different levels to specialize and strengthen their skills sets.

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to its staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus after assessments is paid to employees to reward their contributions. The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, a monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to mandatory provident fund schemes on behalf of its employees. In determining the remuneration and compensation packages of the Directors and senior management, the Group will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

SUBSEQUENT EVENTS AFTER THE YEAR

No material events were undertaken by the Group subsequent to 31 December 2024 and up to the date of this announcement.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) during the Year. As at 31 December 2024, no treasury shares were held by the Company.

FINAL DIVIDEND

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, in order to safeguard and protect the interests of the Shareholders and to enhance corporate value and accountability system.

The Company has adopted the principles and applicable code provisions stated in Part 2 of the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

For the Year, so far as the Directors are aware, the Company has complied with all the applicable code provisions as set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions.

Upon the specific enquiries made to all Directors, they confirmed that they have complied with the standards for securities transactions by Directors as set out in the Model Code for the Year.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, or relevant employees for the Year.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit.

The Audit Committee comprises of three members, namely Ms. Luo Ying, Mr. Hu Ning, and Ms. Zou Dan, all of whom are the independent non-executive Directors of the Company. Ms. Zou Dan has been appointed as the chairlady of the Audit Committee and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Audit Committee and the Company’s management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting. The Audit Committee has reviewed and agreed with the management of the Company on the annual results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by SHINEWING (HK) CPA Limited 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 SHINEWING (HK) CPA Limited on this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") is scheduled to be convened and held on Friday, 30 May 2025. A notice convening the AGM will be published on the websites of the Hong Kong Exchanges and Clearing Limited and the Company in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of the eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 26 May 2025.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This announcement will be published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.lingyue-service.com), respectively. The annual report of the Company for the year ended 31 December 2024 will be published on the above-mentioned websites in due course.

By Order of the Board
Ling Yue Services Group Limited
Liu Yuqi
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Liu Yuqi (Chairman) and Ms. Luo Hongping as executive Directors; Ms. Wang Tao and Ms. Hou Sanli as non-executive Directors; Ms. Luo Ying, Mr. Hu Ning and Ms. Zou Dan as independent non-executive Directors.