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Fu Shou Yuan International Group Limited

福壽園國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1448)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

2024 ANNUAL RESULTS HIGHLIGHTS

- Total revenue for the Year amounted to approximately RMB2,077.5 million, representing a decrease of approximately 20.9% when compared to that of Last Year.
- Profit and total comprehensive income attributable to owners of the Company for the Year amounted to approximately RMB373.1 million, representing a decrease of approximately 52.8% when compared to that of Last Year.
- Basic earnings per Share for the Year amounted to approximately RMB16.4 cents, representing a decrease of approximately 52.9% when compared to that of Last Year.
- The Board has recommended the payment of a final dividend of HK9.54 cents per Share for the Year.

The Board of Directors of Fu Shou Yuan International Group Limited is pleased to announce the audited consolidated financial results of the Group for the year ended December 31, 2024 together with the comparative figures for Last year as set out below. The consolidated financial results are audited by the external auditor and have been reviewed by the Audit Committee.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	2,077,484	2,628,029
Operating expenditures			
Staff costs		(486,720)	(506,360)
Construction costs		(114,067)	(123,086)
Consumed materials and goods		(149,929)	(188,935)
Outsourced service costs		(51,111)	(62,160)
Marketing and sales channel costs		(41,597)	(48,899)
Depreciation and amortisation		(173,179)	(166,609)
Other general operating expenditures		(244,376)	(171,530)
Inventory changes		21,160	11,708
Impairment losses under expected credit loss model, net of reversal		(23,585)	41
Impairment losses recognized on property and equipment, intangible assets, cemetery assets and goodwill		(104,193)	—
Profit from operations		709,887	1,372,199
Other income, gains and losses		119,842	85,183
Share of loss of a joint venture		(2,733)	(18,436)
Share of loss of an associate		(65)	—
Finance costs		(16,422)	(7,392)
Profit before taxation	5	810,509	1,431,554
Income tax expense	6	(313,181)	(455,638)
Profit for the year		<u>497,328</u>	<u>975,916</u>

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the Year attributable to:			
Owners of the Company		373,134	791,240
Non-controlling interests		<u>124,194</u>	<u>184,676</u>
		<u>497,328</u>	<u>975,916</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>376</u>	<u>—</u>
Other comprehensive income for the Year, net of income tax		<u>376</u>	<u>—</u>
Total comprehensive income for the Year		<u>497,704</u>	<u>975,916</u>
Total comprehensive income attributable to:			
Owners of the Company		373,292	791,240
Non-controlling interests		<u>124,412</u>	<u>184,676</u>
		<u>497,704</u>	<u>975,916</u>
		<i>RMB cents</i>	<i>RMB cents</i>
Earnings per share			
— Basic	7	<u>16.4</u>	<u>34.8</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	<i>NOTES</i>	2024 RMB'000	2023 <i>RMB'000</i>
Non-current assets			
Property and equipment	8	565,676	556,232
Right-of-use assets		179,645	103,568
Investment property		6,509	6,509
Intangible assets		257,302	309,774
Goodwill	9	1,106,076	1,129,049
Deposits paid for acquisition of leasehold land as cemetery assets		22,334	21,963
Cemetery assets	10	1,995,409	2,074,652
Investment in an associate		2,935	3,000
Investment in a joint venture		54,413	42,184
Restricted deposits		96,395	89,424
Time deposits		207,633	200,000
Deferred tax assets	18	120,956	92,871
Other long-term assets		8,930	5,000
		<u>4,624,213</u>	<u>4,634,226</u>
Current assets			
Inventories	11	576,326	557,991
Trade and other receivables	12	132,922	222,383
Financial assets at fair value through profit or loss (“FVTPL”)	14	589,176	776,501
Time deposits	15	188,375	167,746
Bank balances and cash	13	2,056,626	2,295,467
Contract assets		13,559	13,473
		<u>3,556,984</u>	<u>4,033,561</u>
Current liabilities			
Trade and other payables	16	667,564	658,344
Lease liabilities		19,752	23,156
Contract liabilities	17	123,435	105,808
Dividends payable		110,124	36,000
Loans from non-controlling shareholders of subsidiaries		30,466	29,438
Income tax liabilities		212,079	205,440
Borrowings		—	200,000
		<u>1,163,420</u>	<u>1,258,186</u>
Net current assets		<u>2,393,564</u>	<u>2,775,375</u>
Total assets less current liabilities		<u>7,017,777</u>	<u>7,409,601</u>

	<i>NOTES</i>	2024 RMB'000	2023 <i>RMB'000</i>
Non-current liabilities			
Lease liabilities		111,544	29,215
Contract liabilities	17	514,208	494,434
Deferred tax liabilities	18	150,896	216,137
Other long-term liabilities		85,301	95,951
		<u>861,949</u>	<u>835,737</u>
Net assets		<u>6,155,828</u>	<u>6,573,864</u>
Capital and reserves			
Share capital		142,148	142,148
Reserves		5,419,006	5,777,907
		<u>5,561,154</u>	<u>5,920,055</u>
Equity attributable to owners of the Company		5,561,154	5,920,055
Non-controlling interests		594,674	653,809
		<u>6,155,828</u>	<u>6,573,864</u>
Total equity		<u>6,155,828</u>	<u>6,573,864</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated on January 5, 2012 in the Cayman Islands under the Companies Law of the Cayman Islands, and its Shares have been listed on the Stock Exchange since December 19, 2013. The address of the registered office of the Company is Ocorian Trust (Cayman) Limited at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the address of the principal place of business in Hong Kong of the Company is Unit 709, 7/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong. The Group is mainly engaged in the provision of burial services, funeral services and other services.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

During the Year, the Group has applied, for the first time, certain amendments to IFRS Accounting Standards that are mandatorily effective for the Year.

The application of the Amendments to IFRS Accounting Standards in the Year has 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. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment property and certain financial instruments which are measured at fair values at the end of each reporting period in accordance with the accounting policies in conformity with IFRS Accounting Standards.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

The Group enters into contracts with its customers for the provision of burial services, which include the sale of burial plots and cemetery maintenance services.

Revenue from the sale of burial plots is recognised when the control of burial plots is transferred to the customer, being when the right to use burial plots has passed.

Revenue from the provision of cemetery maintenance services is recognised during the period of service. Contract price for the cemetery maintenance services is based on a nominal amount, which does not represent the fair value of such services. The Group estimates the fair value of the cemetery maintenance services income to be deferred based on the expected cost of providing such cemetery maintenance services plus a reasonable margin, less total future maintenance fees to be received.

Funeral and other services income are recognised when services are provided.

4. REVENUE

The Group's revenue was derived from various products and services provided by the Group. The details are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Burial services	1,709,205	2,165,253
Funeral services	339,191	397,886
Other services	37,436	78,542
Inter-segments elimination	<u>(8,348)</u>	<u>(13,652)</u>
	<u><u>2,077,484</u></u>	<u><u>2,628,029</u></u>

Geographical information:

The following table sets forth a breakdown of the Group's revenue from burial services and funeral services by region:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Shanghai	998,330	1,262,184
Anhui	165,791	166,869
Liaoning	135,906	188,694
Henan	128,421	164,076
Jiangsu	98,578	117,547
Heilongjiang	92,552	97,269
Shandong	83,168	120,097
Jiangxi	77,434	106,804
Chongqing	64,036	85,853
Fujian	57,784	64,670
Zhejiang	48,491	56,900
Guizhou	40,095	59,754
Gansu	25,708	28,279
Inner Mongolia	14,026	19,915
Guangxi	13,675	20,887
Shaanxi	3,077	1,696
Hubei	<u>1,324</u>	<u>1,645</u>
	<u><u>2,048,396</u></u>	<u><u>2,563,139</u></u>

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Staff costs, including Directors' remuneration:		
Salaries, wages, bonus and other benefits	451,992	472,366
Contributions to retirement benefits schemes	34,728	33,994
	<hr/>	<hr/>
Total staff costs	486,720	506,360
	<hr/>	<hr/>
Depreciation of property and equipment	55,041	56,872
Depreciation of right-of-use assets	19,757	19,944
Amortisation of intangible assets	21,729	18,730
Amortisation of cemetery assets	76,652	71,063
Impairment losses recognized on property and equipment, intangible assets, cemetery assets and goodwill	104,193	—
Write-down of inventories	26,651	—
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6. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
PRC Enterprise Income Tax (“PRC EIT”)		
Current year	386,462	384,823
Under provision in prior years	20,045	474
Deferred tax	(93,326)	70,341
	<hr/>	<hr/>
	313,181	455,638
	<hr/> <hr/>	<hr/> <hr/>

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2024	2023
Earnings		
Earnings for the purposes of basic earnings per share (<i>RMB'000</i>)	<u>373,134</u>	<u>791,240</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><u>2,271,063,422</u></u>	<u><u>2,271,063,422</u></u>

8. PROPERTY AND EQUIPMENT

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Buildings	350,370	361,955
Leasehold improvements	11,056	7,393
Furniture, fixtures and equipment	43,520	45,406
Motor vehicles	18,918	20,501
Construction in progress	<u>141,812</u>	<u>120,977</u>
	<u><u>565,676</u></u>	<u><u>556,232</u></u>

9. GOODWILL

The carrying amounts of goodwill arose from the acquisition of following subsidiaries:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Haigang Fu Shou Yuan	9,595	9,595
Jinzhou Maoshan Anling	3,738	3,738
Henan Fu Shou Yuan	14,769	14,769
Chongqing Baitayuan	47,458	47,458
Meilin Century Cemetery	18,899	18,899
Guanlingshan Cultural Cemetery	47,245	47,245
Wuyuan Wanshoushan Cemetery	36,107	36,107
Anyang Tianshouyuan Cemetery	2,425	2,425
Changzhou Qifengshan Cemetery	87,425	87,425
Zaozhuang Shanting Xingtai	—	22,973
Luoyang Xianhe Cemetery	23,451	23,451
Temshine	23,433	23,433
Guangxi Huazuyuan Cemetery	22,756	22,756
Chaoyang Longshan Cemetery	12,903	12,903
Guizhou Tianyuanshan	19,123	19,123
Heling'er Anyou Cemetery	35,721	35,721
Hubei Tiansheng Cemetery	13,560	13,560
Jinsha Fuze	66,176	66,176
Harbin Mingxiyuan Cemetery	352,880	352,880
Anhui Longmen Cemetery	90,673	90,673
Heze Fuluyuan	101,226	101,226
Zhengzhou Anletang	1,113	1,113
Zhuolu Yuanbaoshan	37,594	37,594
Yan'an Hongfu	37,806	37,806
	<u>1,106,076</u>	<u>1,129,049</u>

10. CEMETERY ASSETS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Leasehold land	1,343,921	1,411,570
Landscape facilities	255,108	264,452
Development costs	<u>396,380</u>	<u>398,630</u>
	<u><u>1,995,409</u></u>	<u><u>2,074,652</u></u>

The land costs have definite useful lives and are amortized on a straight-line basis over the lease terms.

Landscape facilities represent the construction cost of arbors, bridges, etc. in the mausoleum. Amortization for landscape facilities is provided on a straight-line basis over shorter of the remaining lease term of land or useful lives.

Development costs represent the costs paid for the foundation work and putting the land into the condition ready for development of cemetery business. Amortization of development costs is provided on a straight-line basis over the estimated useful lives (same as land costs over the lease terms).

Upon commencement of development of an area within the cemetery, the proportionate cemetery assets are transferred to inventories.

11. INVENTORIES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Burial plots	450,015	415,344
Tombstone	86,983	90,308
Others	<u>39,328</u>	<u>52,339</u>
	<u><u>576,326</u></u>	<u><u>557,991</u></u>

12. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables from contract with customers	125,217	144,131
Less: Allowance for credit losses	<u>(27,002)</u>	<u>(5,018)</u>
	<u>98,215</u>	<u>139,113</u>
Other receivables comprise:		
Prepayments and rental deposits on properties	3,849	2,938
Staff advances	465	757
Deposits for projects	6,618	6,865
Prepayments to suppliers	1,171	13,913
Interest receivables	195	3,129
Receivables from disposal of equity investment	—	30,861
Loans to third parties in connection with a cemetery project	12,192	12,192
Others	11,818	12,615
Less: Allowance for credit losses	<u>(1,601)</u>	<u>—</u>
	<u>132,922</u>	<u>222,383</u>

The aged analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date at the end of reporting period is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within one year	42,459	71,594
Over one year but less than two years	34,166	36,759
Over two years but less than three years	10,537	29,292
Over three years but less than four years	10,427	840
Over four years but less than five years	<u>626</u>	<u>628</u>
	<u>98,215</u>	<u>139,113</u>

In determining the recoverability of the trade receivables, the Group reassesses any change in the credit quality of the trade receivables since the credit was granted and up to the end of the reporting period.

13. BANK BALANCES AND CASH

Bank balances of the Group denominated in RMB, HK\$, US Dollar (“US\$”) and Japanese Yen (JPY) carry variable-rate interest as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest rate per annum		
— RMB	0.10%–1.35%	0.20%–2.03%
— HK\$	0.01%–3.74%	0.01%
— US\$	0.05%	0.05%
— JPY	—	0.0001%

The bank balances and cash that are denominated in currencies other than RMB are set out below:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
HK\$	560,431	46,280
US\$	7,886	2,270
JPY	—	5,921
	<u>568,317</u>	<u>54,471</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Unlisted cash management products	<u>589,176</u>	<u>776,501</u>
	<u>589,176</u>	<u>776,501</u>

During the Year, the Group entered into a number of contracts for cash management products as part of its cash management.

Details of the cash management products at December 31, 2024 are as follows:

Bank	Name of products (Note)	Currency	Amount RMB'000	Term/call date	Expected yield rate	Principal- guaranteed
Shanghai Pudong Development Bank	Tian Tian Li Pu Tian Tong Ying (天添利浦天同盈一號)	RMB	98,932	Redeemable on call after 1 work day on work day	1.38%	N
Shanghai Pudong Development Bank	Tian Tian Li Pu Hui Plan (天添利普惠計劃)	RMB	72,893	Redeemable on call after 1 work day on work day	1.81%	N
Subtotal		RMB	<u>171,825</u>			
Bank of Shanghai	Yi Jing Ling (易精靈)	RMB	51,835	Redeemable on call after 1 work day on work day	1.59%	N
Subtotal		RMB	<u>51,835</u>			
Shanghai Rural Commercial Bank	Ji Ji Xin Li (公司款季季鑫利 3個月定開)	RMB	35,000	Redeemable on call after 90 work days on work day	2.15%~ 2.95%	N
Shanghai Rural Commercial Bank	Xin Zeng Li (鑫增利19026期)	RMB	30,057	Redeemable on call after 180 work days on work day	2.25%~ 3.05%	N
Subtotal		RMB	<u>65,057</u>			
China Industrial Bank	Xing Yin Li Cai Tian Li Kuai Xian F (興銀理財添 利快線F)	RMB	140,600	Redeemable on call after 1 work day on work day	2.06%	N
Subtotal		RMB	<u>140,600</u>			
China Construction Bank	Jia Xin Gu Shou Lei An Ri (嘉鑫固收類按日)	RMB	20,258	Redeemable on call after 1 work day on work day	1.79%	N
China Construction Bank	Heng Ying Fa Ren Ban (恆贏(法人版))	RMB	139,601	Redeemable on call after 1 work day on work day	1.75%	N
Subtotal		RMB	<u>159,859</u>			
Total		RMB	<u>589,176</u>			

Note: Investment portfolio of the products includes government debt instruments, treasury notes, corporate bonds and etc.

15. TIME DEPOSITS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Time deposits	<u>396,008</u>	<u>367,746</u>

As at December 31, 2024, the Group had fixed-term deposits of RMB396,008,000 in banks with original maturity of six months to three years and fixed interest rate ranging from 1.60% to 4.43% per annum. (December 31, 2023: fixed interest rate ranging from 1.50% to 5.47% per annum).

16. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	<u>319,760</u>	<u>306,832</u>
Other payables comprise:		
Advances and deposits from customers	17,829	20,334
Payables for acquisition of property and equipment	—	604
Salary, welfare and bonus payables	130,860	152,551
Other accrued expenses	25,721	45,350
Consideration payables for acquisition of subsidiaries	22,217	31,773
Reimbursed payables due to third parties	—	43,377
Others	<u>151,177</u>	<u>57,523</u>
	<u>667,564</u>	<u>658,344</u>

The following is an aged analysis of trade payable presented based on the invoice date at the year end:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0–90 days	75,060	89,307
91–180 days	22,450	25,971
181–365 days	48,263	50,117
Over 365 days	<u>173,987</u>	<u>141,437</u>
	<u>319,760</u>	<u>306,832</u>

The average credit period on purchases of goods is 181 to 365 days.

17. CONTRACT LIABILITIES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cemetery maintenance services	585,101	551,800
Sales of pre-need contracts	<u>52,542</u>	<u>48,442</u>
	<u><u>637,643</u></u>	<u><u>600,242</u></u>

Cemetery maintenance services

The contract liabilities relate to cemetery maintenance services and represent the portion of revenue generated from the provision of burial services that has not been earned as revenue in accordance with the revenue recognition policy and the nature of the business.

The Group provides on-going cemetery maintenance services as part of the burial services to maintain the landscaped cemeteries and the large number of memorials that lie on the cemeteries.

Customers who purchase burial services at certain locations are required to make advance payments for maintenance fees, relating to the maintenance of their cremation niches or burial lots and memorials over 10 to 20 years, and such amounts are generally paid together with the purchase of the Group's burial services.

The Group keeps track of the cemetery maintenance expense for the sites and makes estimates based on the predicted increases, such as increase in the labor cost and the incremental maintenance expense as a result of increase in future sales. Total estimated cemetery maintenance expense plus a reasonable margin, offset by estimated maintenance fees to be received, represents the deferred income, which is recorded as the contract liabilities relating to cemetery maintenance services.

Sales of pre-need contracts

Sales of pre-need contracts are sales of funeral services based on a contract prior to death occurring. The contract liability is recognised when the pre-need contract is entered into and the payment is received, and is derecognised when the funeral service is offered.

18. DEFERRED TAXATION

The followings are the deferred tax assets (liabilities) recognised by the Group:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities	80,531	70,908
Loss allowance	17,137	1,774
Withholding tax on undistributed profit from the PRC	(30,087)	(87,357)
Tax losses	4,672	16,883
Fair value adjustments	(118,799)	(126,770)
Right-of-use assets	(30,489)	(11,796)
Lease liabilities	31,705	13,092
Cemetery assets	15,390	—
	<u>(29,940)</u>	<u>(123,266)</u>

19. DIVIDENDS

During the Year, the Company has declared and paid the final dividend of HK6.86 cents per Share for 2023, the interim dividend of HK6.38 cents per Share for 2024 and a special dividend of HK21.39 cents per Share, amounting to approximately RMB735.8 million in total.

On January 24, 2025, a special dividend of HK38.82 cents per Share has been declared by the Board, which will be paid in three tranches.

On March 21, 2025, a final dividend for 2024 of HK9.54 cents per Share was recommended by the Board. The final dividend is subject to the approval of Shareholders at the forthcoming AGM.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on this announcement. The Company's auditor has reported on the consolidated financial statements of the Group for the year ended December 31, 2024. The auditor's report is unqualified and does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Fu Shou Yuan International Group Limited, I hereby present the Group's results for the year 2024 to all Shareholders for review.

In 2024, the global economy continued to face numerous challenges, while the Chinese economy demonstrated strong resilience. With the steady recovery of the domestic economy, consumer confidence among residents continued to improve, and the service industry experienced steady development. Against the backdrop of China's implementation of green development strategy, the concept of environmentally friendly funeral and interment are becoming more widespread. Coupled with the accelerating aging population, the demand for death care services is steadily increasing. As an industry leader, Fu Shou Yuan continued to deepen its digital transformation and promote green environmental concepts, aiming to provide customers with higher-quality life services.

Fu Shou Yuan, as China's leading funeral and life technology service provider, as well as an explorer and participant in the development and reform of the funeral industry, has consistently remained at the forefront of innovation. Facing significant demand and promising market prospects in funeral and life services, the Group continuously transforms and upgrades its products while driving digital transformation based on industry-leading operational philosophies and multi-engine-driven and scale expansion strategies. Guided by its "People-oriented and Culture-rooted" corporate mission, Fu Shou Yuan focuses on service expansion, technology-driven development and cultural innovation, thereby addressing clients' diverse and high-quality needs, particularly those related to spiritual and emotional services.

In 2024, the Group's operating performance continued to maintain a steady growth momentum, which not only demonstrated the market adaptability of Fu Shou Yuan but also reflected the Group's unremitting efforts in continuous innovation and service optimization. During the Year, the Group recorded revenue of RMB2,077.5 million and achieved a net profit of RMB497.3 million. Profit and comprehensive income attributable to Shareholders reached RMB373.1 million. The Board proposed a final dividend of HK9.54 cents per Share for 2024 to the Shareholders. Together with the interim dividend of HK6.38 cents per Share for the six months ended June 30, 2024 and a special dividend of HK38.82 cents per Share declared on January 24, 2025, the total dividend for the whole year is HK54.74 cents per Share, which is in line with the dividend policy committed by the Group to thank Shareholders for their long-standing support and recognition.

During the Year, Fu Shou Yuan actively promoted its own transformation, striving to move from a traditional comprehensive funeral service provider towards a provider of life technology services. At the “2024 Brand Power Forum”, with innovative achievements in brand building over the past 30 years, Fu Shou Yuan was shortlisted for the “Top 500 China Innovative Brands of 2024”, with a brand value of RMB13.995 billion and a brand index of 431.64 points, ranking 233rd among the top 500. At the 2025 Davos World Brand Summit, it was awarded the title of “Top 500 World Innovative Brands of 2024”. According to a professional brand evaluation organization, Asiabrand’s brand evaluation method, Fu Shou Yuan’s brand value was evaluated at US\$2.916 billion, demonstrating its leading position in the funeral industry and its outstanding performance in innovation and service quality.

Fu Shou Yuan continuously advances its digital transformation strategy, leads the continuous iteration of digital funerals and the continuous expansion of corresponding application scenarios, and deepens the “Internet + death care service” model. Over the past year, Fu Shou Yuan made its first attempt to apply AI technology to the creation of digital person, successfully hosting the 2024 Qingming Festival conference in the form of a “digital intelligence person virtual event”. This innovative initiative not only showcased Fu Shou Yuan’s technological prowess in the digital field but also set a new benchmark for the industry. Fu Shou Yuan also launched the first interactive digital ancestral hall in China — the “Yuan Ancestral Hall” (元家祠). The digital ancestral hall combines functions such as a digital memorial hall, digital person, AI family heritage and online memorials, breaking the two-dimensional layout of traditional online memorial halls and presenting in a more tangible 3D exhibition hall format. Here, photos, videos, and artworks of the deceased can be freely arranged by family members.

During the Year, Fu Shou Yuan has actively organized and participated in various social welfare activities, with a broad spectrum covering areas such as charity assistance, mental rescue, hospice care, educational support, life education and environmental conservation. Being recognized for its outstanding performance in the charitable sector, Fu Shou Yuan was honored with the “2023 China Public Welfare Enterprise” award. In June 2024, Fu Shou Home Life Community under Fu Shou Yuan, Shanghai Hospice Care Health Service Center, Shanghai Tuoxin Health Promotion Center and Shanghai Xingchuan Health Technology Co., Ltd. jointly launched a charity service project and volunteer recruitment initiative to care for terminally ill cancer patients. This project is the first charity service project in China to provide remote support to end-stage cancer patients. Through this endeavor, Fu Shou Yuan aims to raise broad awareness in society about the lives and needs of end-stage cancer patients and their families, thereby offering more heartfelt and comprehensive assistance and support to them.

Fu Shou Yuan, in collaboration with the Shanghai Academy of Social Sciences and The Paper (澎湃新聞), jointly released the “Fu Shou Yuan Public Welfare White Paper” (《福壽園公益事業白皮書》) (the “**White Paper**”). This is the first systematic white paper in the funeral industry in China that outlines corporate participation in social welfare initiatives. The publication of the White Paper represents a milestone in summarizing Fu Shou Yuan’s public welfare initiatives, providing a roadmap for the Group to further establish a sustainable and normalized public welfare system across “Enterprise-Industry-Society”, and offering a reference path for private enterprises to engage in public welfare practices.

In terms of international cooperation, Fu Shou Yuan has actively expanded its horizons, seeking alignment and integration with international advanced experiences. From September 18 to 21, 2024, Fu Shou Yuan was invited to participate in The World Organization of Funeral Operatives (the “**FIAT-IFTA**”) 2024 Convention. During the conference, the Group provided attendees with a detailed introduction on the establishment background of the Fu Shou Yuan Li Ji Academy, its educational philosophy, and the efforts and significant achievements made to enhance the comprehensive qualities of practitioners in the Chinese funeral industry. Additionally, the Group engaged in in-depth discussions with the executive committee of the International Funeral Association to share experiences and explore collaborations, which further enhanced Fu Shou Yuan’s influence and bargaining power in the international funeral sector and laid a new foundation for international exchanges and collaborations within the industry.

On October 26, 2024, Fu Shou Yuan and Panama Fushouling Co., Ltd. (“**Panama Fushouling**”) jointly signed the “Friendly Cemetery Cooperation Framework Agreement” in Panama, Republic of Panama, further strengthening the in-depth collaboration between Fu Shou Yuan and Panama Fushouling in planning, products, services, culture, art, technology, education and other aspects. Fu Shou Yuan made a special trip to visit Panama Fushouling to engage in thorough and extensive discussions on the future development of the park, construction of memorial halls, and the application of the “3JI” Concept (Monuments beautification, Memories thickening, Heritage lengthening). Both parties agreed to regularly conduct cultural exchanges, artistic exchanges, and educational training exchanges on the basis of cooperative development and mutual benefits, thereby learning from advanced experiences to gain a more diverse perspective. This signing not only marks an important step for Fu Shou Yuan in expanding its international outreach but also signifies the first step in innovative cooperation for Fu Shou Yuan in Central America.

Fu Shou Yuan has consistently been committed to promoting sustainable development and has achieved significant accomplishments in this regard. The Company's continued efforts in sustainable development and delivering outstanding performance in "labor practices" and "environmental issues". Particularly noteworthy is Fu Shou Yuan's consecutive three-year improvement in the Hang Seng Index rating, with the latest score reaching 65.20 points, maintaining an A+ rating and attaining the highest rating within the "Responsive" range. This highlights the Company's leading position in key areas such as career development training, talent management, resource conservation and low-carbon transformation. Fu Shou Yuan also actively responds to new ESG regulations by continually optimizing anti-corruption systems, risk management systems and supply chain management systems to further enhance corporate governance standards and ensure transparency and compliance in operations. These initiatives not only showcase the Company's achievements in sustainable development but also set benchmarks for the industry, driving synergistic progress among enterprises, society and the environment.

As a leader in the funeral industry, Fu Shou Yuan has always adhered to the principles of "operating in accordance with laws and regulations", "creating a new industry culture", "ensuring customer satisfaction and government confidence" and "fulfilling various responsibilities". In the future, Fu Shou Yuan will continue to drive funeral reforms with a strong sense of responsibility and mission, support industry standardization and green development, provide higher-quality services to society and contribute more to the sustainable development of the industry.

Looking ahead, with the aging population increasing, the demand for funeral services is expected to rise steadily. Fu Shou Yuan will remain committed to its "People-oriented and Culture-rooted" philosophy, continue to enhance service quality, advance digital transformation efforts, uphold the mission of "Monuments beautification, Memories thickening and Heritage lengthening", and strive to fulfill our corporate, social, industry, historical and public responsibilities. Through fostering a new industry culture, we aim to drive industry transformation and contribute to the progress of social civilization, working tirelessly to meet the public's aspirations for a better life. Fu Shou Yuan will persist in innovation-driven development, accelerate digital transformation, expand the practice of green funeral services, and deliver higher-quality life services to our clients. Meanwhile, the Group will actively uphold its social responsibilities, promote the healthy development of the industry, and refine mechanisms to ensure sustained, stable and high returns for investors, thereby creating greater value for Shareholders.

By order of the Board
Fu Shou Yuan International Group Limited
Bai Xiaojiang
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

As China advances into a moderately prosperous society in all respects and reached a new historical starting point, promotion of people's well-being to a new level and continuous enhancement of people's sense of satisfaction, happiness and security will be China's key developmental goals in terms of people's livelihood going forward. In the new era, people's desire for a better life has extended from "life" to "death". Improving the quality of people's funeral services and achieving "peaceful departure" has become the major issues in the field of death care service and has been promoting the in-depth development of China's death care service industry.

In recent years, China's new urbanization has been progressing steadily with rising urbanization rate. According to the latest data published by the National Bureau of Statistics of China, as of the end of 2024, China's resident population in urban areas reached 943.5 million, representing an increase of 10.83 million compared to the end of 2023, while the rate of urban population was 67.0%, representing an increase of 0.84 percentage points compared to the year of 2023. China's urbanization rate has increased by an average of 0.92 percentage points annually over the past six years, with more than 10 million rural residents moving into urban areas every year. The steady increase in the level of urbanization will give rise to a wide range of demands from the new urban population for funeral infrastructure, multi-layered funeral services and life-related technology industries. At the same time, the number of China's aging population has further heightened. At the end of 2024, the number of people aged 60 and above reached 310.31 million, accounting for 22.0% of the total population. The number increased by 13.34 million compared to the end of 2023, representing a rise of 0.9 percentage points in its proportion to the overall population. During the 14th Five-Year Plan Period, the population born in the second birth peak in the 1960s have successively entered old age, resulting in a sharp increase in China's aging population. According to the latest data published by the National Bureau of Statistics of China, the number of deaths in China for 2024 was 10.93 million. In addition, with the continuous advancement in funeral reforms and customs changes, the cremation rate of remains in China continued to increase in recent years. In 2021, 5.966 million bodies were cremated nationwide with a cremation rate of 58.8%. Looking ahead, the acceleration of and interplay between the new urbanization process, the aging population trend and the increased cremation rate will continuously give rise to a massive demand for death care services in the market.

In 2024, the overall economy of China has been operating steadily with a long-term upward trend. According to the latest data published by the National Bureau of Statistics of China, China's GDP amounted to RMB134,908.4 billion in 2024, representing a year-on-year increase of 5.0% if calculated at constant prices. The disposable income per capita of urban residents was RMB54,188, representing a year-on-year growth of 4.6% in nominal terms and a growth of 4.4% in real terms excluding price factors, compared to 2023. The consumption expenditure per capita of urban residents was RMB34,557, representing a year-on-year growth of 4.7% in nominal terms and a growth of 4.5% in real terms compared to 2023. The service consumption expenditure per capita of national residents increased by 7.4%, accounting for 46.1% of residents' per capita consumption expenditure, which was 0.9 percentage points higher than that of Last Year. On the other hand, as the external environment becomes more complex, severe and uncertain in 2024, the pain of domestic structural adjustment has begun to emerge, factors such as insufficient short-term effective demand lingered to retard the sustained upturn in the service industry economy, with further rooms for improvement in the residents' consumption power. In the long run, with the improvement of people's living standards and the steady growth of their income, the upgrading trend in China's resident consumption structure has remained unchanged, with constant emergence of consumption highlights such as digital consumption, green consumption and healthy consumption, demonstrating that the residents' demand for quality continues to increase, and the concept of green and environmental protection becomes more popular. There are numerous opportunities for the development of service-based consumption in the future, including the urbanization of the household population, which will stimulate the upgrading of service-based consumption, the ageing of the population, which will bring diversified demand for elderly services, and the development of the digital economy, which will give rise to new types of service-based consumption and so on. As a humanized funeral service provider, we will not only satisfy the basic funeral service needs, but will also cater to the public's growing demands for diversified and differentiated services with high quality, providing multi-layered service contents and more convenient service scenarios to extend humanistic care and emotional comfort to the deceased and their families.

The death care service sector in China has been pressing ahead in terms of reform and innovation, so as to strengthen system construction and advance the modernization of the governance system and governance capacity in death care service. Since 2021, the Ministry of Civil Affairs of the PRC and governments at all levels have successively issued their 14th Five-Year Plan on the Development of Civil Affairs (《「十四五」民政事業發展規劃》), which further improves the public death care service system and enhances the government's ability to provide basic death care services. It will further accelerate the reinforcement of death care service facilities by addressing their weaknesses and practically improve the standard of governance in the death care service sector, while further regulating and strengthening the management of death care services, standardizing the business conduct of death care intermediaries and service providers, and establishing a sound and comprehensive regulatory mechanism. In November 2023, the Ministry of

Civil Affairs issued the Notice of the General Office of the Ministry of Civil Affairs on Publishing of the Plan for the Construction of Civil Affairs Laws and Regulations (2023–2027) (《民政部辦公廳關於印發〈民政法規制度建設規劃 (2023–2027年)〉的通知》), which sets out specific improvement measures on death care service system to promote the formulation of policies in strengthening and enhancing death care service management, and initiating studies on legislation for death care regime in a timely manner. In particular, the Regulations on Funeral and Interment Control (《殯葬管理條例》) has been included in the legislative work plan of the Ministry of Civil Affairs and its revision is being actively promoted. The revision of the Regulations on Funeral and Interment Control will deepen the death care reform, improve the death care service system, and help rectify the chaos in the industry. It further standardizes death care behaviors, strengthens the provision of legal protection in death care management, promotes the market-oriented and standardized development of the industry, and ultimately achieves the long-term healthy growth of China's death care service industry. In February 2024, the Ministry of Civil Affairs convened a mobilisation and deployment meeting for the year-opening work and emphasised once again the need to expedite the reinforcement of death care service facilities, including increasing investment in the construction of funeral parlours, cemeteries and other infrastructure, to improve the coverage and service capacity of death care facilities. In the same month, the Ministry of Civil Affairs released the Notice on Public Solicitation of Opinions for 20 National and Civil Affairs Industry Standardization Projects, including the Guidelines for Land-saving Ecological Burial Services (《關於〈節地生態安葬服務指南〉等20項國家和民政行業標準計劃項目公開徵求意見的通知》). The relevant standardization projects cover various aspects of death care services, including, among others, land-saving ecological burial, grief counselling services, basic functions of the funeral IoT information system software, standards for body embalming agents, and requirements for online worshipping, which marks another important step in the promotion of death care standardization. In April 2024, the Ministry of Civil Affairs issued the Notice of the General Office of the Ministry of Civil Affairs on Further Strengthening the Standardized Disposal of Remains and Cremated Ashes (《民政部辦公廳關於進一步加強遺體和骨灰規範處置工作的通知》), which further regulates the disposal services for remains and cremated ashes by stipulating responsibilities of various operating facilities and relevant regulatory authorities, and strengthening the education and training of service personnel in the industry. Since 2024, a total of 6 national standards and 12 industry standards at the national level have been issued in the funeral sector, and more than 10 recommended industry standards have been formulated and revised, which demonstrates the country's determination and efforts in improving the service supply level, strengthening supervision and management, and promoting the healthy development of the funeral sector. The relevant standards not only reflect the strict requirements on the process and technical specifications of funeral services, but also highlight the value orientation of environmental protection, resource conservation and humanistic care. The Group expects that there will be a higher entry barrier for both new and existing participants in the death care service industry with the continuous improvement in regimes and systems of the death care service sector. As a distinguished death care service provider and an

industry leader in China, we have always been at the forefront of the industry in terms of compliance and the development of standardized systems, and we believe the above-mentioned regulations will create a better environment with fair competition and adequate rooms for sustainable development. We will continue our efforts in directing the development of the industry and better serve the public through death care services that meet both psychological and cultural needs.

With regards to the technology in funeral and burial, in December 2021, the Ministry of Civil Affairs issued the 14th Five-Year Plan on the Development of the Digitalization of Civil Affairs (《「十四五」民政信息化發展規劃》), which serves as a proactive effort to establish a nationwide digitalized platform for death care management services, to build a fundamental database for national death care information, and to improve the digitalized standards of death care management services. By promoting the integration of the internet and death care services and developing new service modes such as remote funerals and online worshipping, it aims to provide more convenient death care services for the public. Additionally, the Ministry of Civil Affairs issued Specifications for Online Worshipping Services (《網絡祭祀服務規範》) and Requirements for Online Worshipping (Draft for Public Comments) (《網絡祭祀要求 (徵求意見稿)》), which set out the basic requirements for providing online worshipping services, service procedures, and standards for online memorial halls and its evaluation and improvement. During the Qingming period in 2024, a total of 1,164 online worshipping platforms were launched nationwide, serving approximately 4.591 million users, which has become an important way for the public to express their grief and remember the deceased. The Internet is advancing the transformation and upgrading of death care services from traditional practices to modern formats. “Internet + death care” empowers death care services with information technology. It is accelerating the standardization of death care services and boosting the high-quality development of death care services. In May 2024, China Civil Affairs (《中國民政》) magazine published a signed article entitled Seizing New Opportunities in the Development of New Productivity and Striving for High-Quality Development in Social Affairs (《把握發展新質生產力新機遇努力推動社會事務工作高品質發展》). The article pointed out that the death care service industry is currently in a critical period of product iteration and increasing pressure. It is necessary to accelerate technological innovation and industrial transformation, integrate modern technological ideas into traditional funerals, and promote the development of a new industry characterized by high technological content, low resource consumption, minimal environmental pollution and greener product supply. In August 2024, the Ministry of Civil Affairs issued 10 recommended industry standards, three of which highlight the pivotal role of digitalisation and cyberisation in the rapid development of high-tech funeral services. These include the “Basic Functional Requirements for the Information System Software of Internet of Things Used in Funeral Services” (《殯葬物聯網資訊系統軟件基本功能要求》) and the “Basic Data Elements for the Information Systems of Internet of Things Used in Funeral Services” (《殯葬物聯網資訊系統基本數據元》), which outline the relevant standards and requirements for constructing the information systems of internet of things used in funeral services by the Ministry of Civil Affairs and funeral service providers.

Furthermore, the “Technical Requirements for Online Platforms for Public Funeral Services” (《殯葬公共服務網絡平台技術要求》) specifies the general requirements and data requirements for building online platforms for public funeral services. It addresses performance and technical requirements in areas such as enquiry, statistics and reliability, and outlines specific technical indicators for the physical environment, disaster recovery backup, network construction and operation and maintenance. Detailed technical requirements for security protection are also included, focusing on security incident response, physical environment security and platform network security. “To use the scientific ways of thinking and approach to give the deceased dignity, and use modern technology to enhance death care services to make them more humane and high-end” will be the future development direction of the death care industry. As a distinguished death care service provider and industry leader in China, we will continue to elevate our technological innovation capability and accelerate the application of technology and digital transformation in death care services.

As China’s social and economic development has entered a new era, people’s demands have been gradually moving from “availability” to “quality”. In the death care service sector, China witnessed the increasing disposable income per capita, vigorous promotion of traditional Chinese culture and virtues by the government, accelerating urbanization progress, aging population and rising cremation rate in recent years. These trends not only underlie the increase in overall demand for death care services, but also demonstrate the requirements for better death care service quality and the diversification and differentiation of the substance of death care services. With the acceleration of China’s population aging, the death care industry will be gradually incorporated into the coordination, development, and planning of the entire elderly service industry to facilitate the development of each “elderly” service industry in a coordinated manner. In addition, a multi-layered social service security system, led by the government with contribution from the society, has been established to stimulate the vitality of market entities and direct social energy towards livelihood service security in an orderly manner, thereby proactively advancing the supply-side structural reform of death care services. It is able to secure the basic livelihood requirements and satisfy the public’s demand for multi-layered and diversified death care services at the same time. These driving factors are set to boost the in-depth and stable development of the death care service industry in China.

BUSINESS COMMENTARY

In 2024, on one hand, China's economy as a whole showed a stable recovery trend, with GDP reaching RMB134,908.4 billion, representing a year-on-year increase of 5.0% if calculated at constant prices; the disposable income per capita of urban residents was RMB54,188, representing a year-on-year growth of 4.4% in real terms excluding price factors, compared to that of 2023; the consumption expenditure per capita of urban residents was RMB34,557, representing a year-on-year growth of 4.5% in real terms compared to that of 2023. On the other hand, as the external environment becomes more complex, severe and uncertain, the pain of domestic structural adjustment has begun to emerge, factors such as insufficient short-term effective demand lingered to retard the sustained upturn in the service industry economy, with further rooms for improvement in the residents' consumption power. Under such economic environment, customers appeared to be more cautious towards their consumption behaviors in death care scenarios, took longer time for consideration before making consumption decisions, and there were fewer local support policies implemented upon death care companies. All these have brought challenges to the development of the Group in addition to the higher comparative revenue base in the same period Last Year when the accumulated and deferred market demand was released post the impact of the Covid-19 pandemic. During the Year, in order to respond to the corresponding changing trends in the economic environment and customer consumption behavior, the Group continued to focus on both the market and product fronts. We have made multifaceted efforts across the fields of service extension, technological leadership and cultural innovation, formulating policies that cater to different "cemeteries" to meet the diversified and differentiated consumer needs of cemetery customers, especially those at the spiritual level. We will continue to enhance the core competitiveness of our products and services to achieve long-term sustainable development of the Group.

We are transforming from an industry-leading comprehensive death care service provider to a life technology service provider. In respect of cemetery business, we continue to be committed to implementing the "3JI" Concept in various places and cemeteries. During the Year, under the guidance of the "3JI" Concept, we launched a new sentiment product integrating cemetery products + services, striving to provide innovative, artistic life services that cover wider spectrum to our customers' satisfaction. There are 17 cemeteries designed and implemented under the "3JI" Concept, each of which is a profound artistic embodiment. They epitomize the reverence for life and pursuit of life aesthetics through their design concept, which is full of humanistic care and overall cemetery layout, which possesses both inner and outer beauty, as well as the natural landscape that serves as embellishment and the monument design that combines functionality and artistry. In addition, as the vessels for documenting and commemorative activities in the "3JI" Concept, personalized, digital and innovative services including digital rituals (digital immersive burial, memorial and worship), "Fu Shou Yuan Online Service" mini program, digital humanities memorial halls, life story memoirs, and digital ancestral halls have been developed and integrated into multiple

scenarios and sessions such as funerals, burials and memorial ceremonies. It allows customers to upload audio, pictorial and video materials to create 2D and 3D digital mannequins, life story microfilms, life story memoirs, as well as to generate family biographies on a household basis, all of which provide customers with a richer and broader spectrum of sentimental experience and beneficial emotional interventions. Meanwhile, we have strengthened our technology-enabled management in this digital era. We are among the few cemetery enterprises that have fully implemented digitized systems for engineering, security, cleansing and cemetery management, which has tied in with the manpower efficiency targets and further enhanced operational efficiency. In addition, through the innovation of engineering technology, we are able to develop miniaturised and artistic products of different price range in cemeteries, providing diversified products and services to more customer groups with different needs.

During the Year, despite the overall downturn in the domestic construction industry, Temshine, a wholly-owned subsidiary of the Group in the design segment which specialized in the planning and design in the funeral field, has maintained relatively stable operations and development. Temshine obtained multiple planning and design projects from burial and funeral facilities in different regions during the Year through open market bidding. It remained as a national leader in terms of design strength and operating capabilities. At the same time, Temshine actively implemented the “3JI” Concept within the Group, providing a strong guarantee for the “3JI” planning and implementation among the Group’s various entities, which has further enhanced the market competitiveness of the Group’s products.

In respect of funeral services business, we focused our efforts on several aspects during the Year, namely business restructuring, customer value creation, etiquette service transformation and technology-enabled management. Through core process transformation focusing on “new scenarios, new supplies and new services”, we have led industry development by catering to the “new consumption” needs of modern funerals, stimulating the vitality of traditional funeral business, and responding to the differentiated and diversified service needs of the market. We have paid full attention to the psychological needs of customers, using smart sound and light systems to transform cremation scenes, and introducing “meditation healing” services into farewell ceremonies. We have developed ritual services including Memorial Plaque Setting Ceremony, Bathing Ceremony for the Deceased, Hanging Blessings Ceremony, along with related cultural and creative products. Further standardization and upgrades of the halls have led to the creation of the “Four Halls of Life” planning scheme, enhancing the functionality, aesthetics and technological appeal of mourning halls, and strengthening customers’ experience and sense of satisfaction in funeral services. At the same time, we further expanded the scope of centralized R&D and procurement of funeral supplies, and incorporated “cultural paper coffins”, “cultural urn”, and “portable scented sachets” into ceremonies, ensuring a full coverage of the “new culture” onto our funeral services. In

addition, we continued to promote high value-added and high technology services, such as embalming and bathing for the departed, to strengthen our core competitiveness and promote the high-quality and sustainable development of funeral services.

As an important strategic pivot of the Group, pre-need contract aims to provide life planning advice and end-of-life management solutions to the public, and provide elderly service solutions to institutions and governments. It helps the Group to lock in customers in advance and create a stable customer reserve for the funeral and cemetery segments. In the context of an aging society, pre-need contract services have been attracting more customers who wish to make their after-death arrangements earlier, and have also gained recognition, support and service orders from governments at all levels and elderly service institutions. During the Year, a total of 20,229 pre-need contracts were signed (2023: 17,707 contracts), representing an increase of 14.2% compared with that of Last Year. The growth in sales volume was mainly attributable to the procurement of solutions by institutions and governments and the development of products at different target levels. Compared to channel development, we believe that the enhancement of the service content included in the pre-need contract will be more attractive to customers, governments at all levels and elderly service institutions, which will accelerate the promotion of the pre-need contract and improve its core competitiveness. Therefore, during the Year, we were also exploring integrated pre-need contracts that incorporate various professional support services such as hospice care, grief counseling and emotional intervention. At the same time, we continued to promote the all-round and multi-insurance cooperation with insurance companies, and in the second half of the Year, we designed and completed a product combined with accident insurance, hoping to drive the growth of the pre-need contract business and the rapid expansion of the market through cross-industry cooperation.

The Group's eco-friendly cremator business, which integrates R&D, design, in-house production, comprehensive support and after-sales service, manufactures smart and eco-friendly cremation equipment and exhaust gas purification treatment systems. During the Year, we continued to optimize product performance and collect customer feedback to further improve product quality and reduce operation and maintenance costs. We actively maintained customers from home and abroad by providing pre-sales technical support and after-sales maintenance guarantee. We have developed and provided services for updating and rebuilding old JS-2 cremators, allowing existing customers to share the latest achievements in product upgrade and energy conservation. At the same time, we continued to conduct statistical analysis and verification of new ash sorting furnaces and exhaust gas purification system equipment, further reducing their cremation time and fuel consumption through consistent optimization and adjustment. Furthermore, we are also establishing our own domestic and overseas sales system for the eco-friendly cremation equipment segment. During the Year, we maintained close contact with a number of potential partners from home and abroad, and signed sales cooperation agreements with several companies for cremators, exhaust gas systems and certain auxiliary equipment. With the construction of corresponding funeral facilities following the advancement of

new urbanization, the aging trend of the population, and the accelerated increase in cremation rates, together with the promotion of environmental protection we believe that the demand for eco-friendly and smart cremation equipment will increase significantly in different regions.

As of now, the Group's footprint covers over 40 cities in 19 provinces, autonomous regions and municipalities in China, including Shanghai, Henan, Chongqing, Anhui, Shandong, Liaoning, Heilongjiang, Fujian, Zhejiang, Jiangxi, Jiangsu, Guangxi, Beijing, Guizhou, Inner Mongolia, Gansu, Hubei, Hebei and Shaanxi, which includes our operating cemeteries and funeral facilities in major cities across 17 provinces, municipalities and autonomous regions in China. The Group's expansion plans in other major provinces, capital cities and uncharted areas across China are still progressing steadily. The Group will proceed at a prudent and steady pace and adhere to our responsibility to our Shareholders, focusing on core and higher tier cities as well as opportunities for new and existing projects with greater regional synergies. We will select suitable targets, integrate diversified business resources and acquire quality assets at fair and reasonable consideration.

During the Year, as the Group was in the process of transforming from an industry-leading comprehensive funeral service provider to a life technology service provider, we had been focusing on establishing a talent structure and building a team that is compatible to the business transformation. In addition, in view of the complicated market environment and challenges, we continued to deepen our human resources management reform. During the Year, we have optimized the formulation of our labor efficiency targets and salary grading system. This will ensure rational allocation of human resources, swift response to changes in the market, and preserving our competitiveness and adaptability.

During the Year, as the first corporate funeral vocational and educational institution in China with the qualification of a non-degree higher educational institution, as well as a core member of the Industry-education Integration Unit of the National Funeral Industry (全國殯葬行業產教融合共同體), the Group's Li Ji Academy offered courses such as "Cremator" and "Cemetery Manager", provided "Specialized Counseling for Social Workers' Vocational Qualification Examination", and published the "Code of Practice on Grief Counseling Services for Funeral Practitioners" as a group standard. In addition, Li Ji Academy hosted the 2nd council meeting of the Industry-education Integration Unit of the National Funeral Industry and the inaugural Forum of 30 People on China Funeral Management (中國殯葬治理30人論壇). It also took the lead in setting up the Think Tank for Integrated Life Service Industry in Yangtze River Delta (長三角一體化生命服務事業智庫) and successfully jointly organized the Sino-UK Healthcare Summit and the first international forum of the Think Tank for Integrated Life Service Industry in Yangtze River Delta, providing intellectual support to promote exchanges among government, industry, scholars and researchers in China's funeral sector, and speeding up the improvement of funeral management system with Chinese characteristics. On the front of international exchanges, Li Ji Academy organized an international study group to take

part in the “2024 ICCFA Annual Conference and Exposition” in the United States, the “2024 Asian Funeral and Cemetery Expo and Conference (AFE2024)”, the “10th ENDEX, the 17th FIAT-IFTA Annual Conference”, the “35th ACCA Annual Conference” and the “2024 NFDA Annual Conference and Expo”. On the front of policy research, Li Ji Academy was the main drafting party of the Construction and Service Regulations for Public Welfare Burial (Resting) Facility (公益性安葬 (放) 設施建設和服務規範), which was selected into the first batch of Standardized Guiding Technical Documentation Project of Shanghai Pudong New District in 2024.

Always upholding its “People-oriented and Culture-rooted” philosophy, Fu Shou Yuan has been transforming from an industry-leading comprehensive funeral service provider to a life technology service provider, extending its services beyond the earthly realm “Fu Shou Yuan” to the spiritual realm “Metaverse Park”. We aim to “glorify the monuments”, “prolong the memories” and “deepen the heritage”. During the Year, there were a total of approximately 114,000 online articles related to Fu Shou Yuan, representing a year on year increase of 74%, with the volume of coverage on the Internet and positive coverage all reaching record high. The general public had largely given its approval to Fu Shou Yuan’s pursuit of AI and digital transformation. Its branding activities such as the Peking University Qingming Forum, the Virtual Launch of Digital Replicant at Qingming, Fu Shou Yuan Life Charity Festival as well as its public welfare practices such as industry-education integration and life education, had all earned much praise from the public. There was multimedia coverage on the Group’s staff across the country, including funeral director, tombstone designers and cleaners, who were being dubbed as “star growers”. In September 2024, Shen Cuiying, a well-known philanthropist in Shanghai who was endearingly known as “Shanghai Grandma”, was laid to rest in Shanghai Fu Shou Yuan. At the commemorative event, the digital image of Grandma Shen met with friends, family and guests at the event. In October 2024, Fu Shou Yuan appeared in Liu Run’s 2024 annual speech. Liu Run, founder of Run2Me Consulting and a famous business consultant, shared Fu Shou Yuan’s “3JI” Concept to millions of online and offline audiences. In December 2024, Shanghai Academy of Social Sciences and The Paper (澎湃新聞), together with Fu Shou Yuan, jointly released the “White Paper on Public Welfare of Fu Shou Yuan (福壽園公益事業白皮書)”, which is the first white paper of the funeral industry in China that systematically organizes the undertakings of enterprises in social welfare and provides a reference path for private enterprises to carry out public welfare practices. We gained wide recognition from all walks of life for our achievements in public welfare, public relations, technological innovations and brand development, receiving a number of awards including “Annual Contribution Award for Education and Public Welfare” at the 13th China Public Welfare Festival (第十三屆公益節「年度教育公益貢獻獎」), the “Chinese Public Welfare Enterprise of the Year” at the 8th China Public Welfare Conference (第八屆中國公益年會「年度中國公益企業」), the “Digital Innovation Leading Award” and “Outstanding Brand Image Award” at the 13th Finance Summit, the “Golden Award for Responsibility” at the 7th Social Responsibility Conference, among others. In January 2025, Fu Shou Yuan was invited to the 2025 Davos World Brand Summit and was selected as one of the “2024

World's Top 500 Innovative Brands” (2024世界創新品牌500強). With its brand valuation at USD2,916 million (approximately RMB21,200 million) and brand index at 492.45, Fu Shou Yuan ranked 380th on the list.

In view of the above, notwithstanding the numerous challenges posed by the economic environment this year as well as the relatively higher comparative revenue base Last Year, the concerted efforts of our entire Group have contributed to a total revenue of RMB2,077.5 million for the Year, representing a decrease of approximately 20.9% from Last Year. Profit and comprehensive income attributable to the owners of the Company amounted to RMB373.1 million, representing a decrease of approximately 52.8% compared to Last Year.

REVENUE

During the Year, our revenue decreased by RMB550.5 million or 20.9% to RMB2,077.5 million from RMB2,628.0 million of Last Year. We derive our revenue primarily from three business segments: burial services, funeral services and other services. The following table sets forth our revenue by segment for the Year:

	2024		2023	
	Revenue (RMB'000)	% of Total Revenue	Revenue (RMB'000)	% of Total Revenue
Burial services	1,709,205	82.3%	2,165,253	82.4%
Funeral services	339,191	16.3%	397,886	15.1%
Other services	37,436	1.8%	78,542	3.0%
Inter-segment elimination	(8,348)	(0.4%)	(13,652)	(0.5%)
Total	2,077,484	100.0%	2,628,029	100.0%

BURIAL SERVICES

The following table sets forth the breakdown of our revenue from burial services, including revenue from the sale of burial plots services and other burial services, for the Year:

	2024		2023	
	No. of burial plots	Revenue (RMB'000)	No. of burial plots	Revenue (RMB'000)
Sale of burial plot services				
Ordinary business plots	12,569	1,523,223	16,385	1,958,344
Public welfare plots and tomb relocation	3,935	11,545	2,393	7,011
	<u>16,504</u>	<u>1,534,768</u>	<u>18,778</u>	<u>1,965,355</u>
Other burial services		<u>174,437</u>		<u>199,898</u>
Total revenue from burial services	<u>16,504</u>	<u>1,709,205</u>	<u>18,778</u>	<u>2,165,253</u>

During Last Year, the accumulated and deferred market demand for burial plot services came up with higher volumes of customers visiting our cemeteries, resulting in a swift sales rebound and a relatively higher base. During the Year, due to the impact of the macro economic environment and related expectation, customers appeared to be more cautious towards their consumption behaviors, which resulted in the decrease of revenue from sale of burial plots services.

During the Year, the revenue from sale of burial plots services for ordinary business purpose decreased by RMB435.1 million or 22.2% as compared to that of Last Year, and sales volume decreased by 3,816 or 23.3% while the ASP increased by approximately 1.4 percentage points.

During the Year, sale of public welfare plots and tomb relocation recorded RMB11.5 million, which related mainly to 1) tomb relocation and construction service to meet the market demand due to certain government's plan to develop local infrastructure construction; and 2) public welfare plots services rendered to designated people.

The following table sets forth the breakdown of revenue of sale of burial plots services for ordinary business purpose from our new (i.e. those related to acquisitions/new construction) and comparable cemeteries during the Year:

	2024		2023	
	No. of burial plots	Revenue (RMB'000)	No. of burial plots	Revenue (RMB'000)
Sale of burial plots services for ordinary business purpose, from:				
Comparable cemeteries*	12,440	1,517,593	16,344	1,956,707
Cemeteries related to acquisitions/new construction	129	5,630	41	1,637
Total revenue from sale of burial plots services for ordinary business purpose	12,569	1,523,223	16,385	1,958,344

* Comparable cemeteries refer to those cemeteries owned and operated by the Group for the entire period from January 1, 2023 to December 31, 2024.

During the Year, revenue from sale of burial plots services for ordinary business purpose in comparable cemeteries decreased by RMB439.1 million or 22.4% as compared to that of Last Year. Its sales volume decreased by 3,904 or 23.9%. This is because during Last Year, the accumulated and deferred market demand for burial plot services came up with higher volumes of customers visiting our cemeteries, resulting in a swift sales rebound and a relatively higher base; while during the Year, customers appeared to be more cautious towards their consumption behaviors, resulting in lower confirmed sales volume. Meanwhile, the ASP of burial plots services for ordinary business purpose in comparable cemeteries increased by 1.9% as compared to that of Last Year, due to the combined effect of products mix and contributions from various cemeteries. Although, the sales volume of Shanghai Fu Shou Yuan reduced compared to Last Year, its higher value-added services, such as the customized products and services have seen to continue to rise in volume. In addition, the revenue contribution from Shanghai Fu Shou Yuan have also increased to approximately 2.3 percentage points among all the comparable cemeteries in terms of the sale of burial plots services. Revenue from sale of burial plots services for ordinary business purpose in newly acquired or newly developed cemeteries increased by RMB4.0 million, mainly due to the contribution from the cemeteries in Dezhou of Shandong Province which started to operate in the current year, Yan'an of Shaanxi Province and Heze of Shandong Province which started to operate in the first half of Last Year. The ASP of burial plots sold for ordinary business purpose in newly acquired cemeteries was lower than that of comparable cemeteries, as the cemeteries are located at different regions with different products and services rendered and these new cemeteries need time to improve their landscape, enhance the services, strengthen their team and

upgrade the operation gradually, in order to provide high quality services to their customers and to increase the returns to the Group. We formulated a systematic operation improvement plan for these new projects to ensure the achievement of the above goals. Leveraging on our advanced philosophy, extensive management experience in death care business and a strong team of professionals, those new cemeteries are expected to achieve profitable growth in the future.

FUNERAL SERVICES

The following table sets forth the breakdown of revenue from our newly acquired/ established and comparable funeral facilities during the Year:

	2024		2023	
	No. of customers	Revenue (RMB'000)	No. of customers	Revenue (RMB'000)
Funeral services, from:				
Comparable facilities*	62,015	332,555	71,460	395,803
Facilities related to new acquisitions/new construction	3,128	6,636	1,208	2,083
Total revenue from funeral services	65,143	339,191	72,668	397,886

* Comparable facilities refer to those funeral facilities owned by the Group for the entire period from January 1, 2023 to December 31, 2024.

During the Year, revenue from funeral services decreased by RMB58.7 million or 14.8%. The volume of funeral services decreased by 7,525 households or 10.4%, while ASP decreased by RMB269 or 4.9%. Revenue from comparable funeral facilities and services decreased by RMB63.2 million or 16.0%. The service volume decreased by 9,445 households or 13.2%. The aforesaid decrease was mainly due to the following combined effects: 1) during Last Year, funeral facilities resumed to normal operation and value-added services were allowed to be performed after the lifting of epidemic prevention and control measures, resulting in a higher comparative base; 2) since the second half of Last Year, certain funeral projects ceased the operation upon their expiration of existing cooperation agreements with local partners. Meanwhile, ASP of comparable funeral facilities and services decreased by approximately 3.2% as compared to that of Last Year, mainly due to changes in sales contribution mix among the funeral facilities. In particular, the facilities in Chongqing, which render comparatively higher value-added services, have reported a reduction in sales volume during the Year due to fiercer local competition as well as the temporary suspension of business operation upon office refurbishment.

During the Year, the revenue from facilities related to new acquisitions and new construction was contributed by the facilities in Yan'an of Shaanxi Province and Shenyang of Liaoning Province, which were acquired and incorporated in June 2023 and September 2023, respectively.

GEOGRAPHIC INFORMATION

Our cemeteries and funeral facilities under operation are strategically located in major cities across 17 provinces, municipalities and autonomous regions in the PRC. The following table sets forth a breakdown of revenue from burial services and funeral services by region during the Year:

	2024		2023	
	Revenue (RMB'000)	% of Total Revenue	Revenue (RMB'000)	% of Total Revenue
Shanghai	998,330	48.7%	1,262,184	49.2%
Anhui	165,791	8.1%	166,869	6.5%
Liaoning	135,906	6.6%	188,694	7.4%
Henan	128,421	6.3%	164,076	6.4%
Jiangsu	98,578	4.8%	117,547	4.6%
Heilongjiang	92,552	4.5%	97,269	3.8%
Shandong	83,168	4.1%	120,097	4.7%
Jiangxi	77,434	3.8%	106,804	4.2%
Chongqing	64,036	3.1%	85,853	3.3%
Fujian	57,784	2.8%	64,670	2.5%
Zhejiang	48,491	2.4%	56,900	2.2%
Guizhou	40,095	2.0%	59,754	2.3%
Gansu	25,708	1.2%	28,279	1.1%
Inner Mongolia	14,026	0.7%	19,915	0.8%
Guangxi	13,675	0.7%	20,887	0.8%
Shaanxi	3,077	0.1%	1,696	0.1%
Hubei	1,324	0.1%	1,645	0.1%
Total	2,048,396	100.0%	2,563,139	100.0%

As impacted by the higher comparative base in Last Year and the macro economic environment and related expectation during the Year, revenue decreased in line with the reduction of the sales volume. With major cemeteries within the region, Shanghai, Anhui and Liaoning were top three regions which contributed the most to the Group, among which, Shanghai region accounted for 48.7% of the Group's revenue. Anhui's contribution to the Group's revenue increased by 1.6 percentage points mainly because a heavyweight cemetery has resumed normal operations this year, leading to an increase in revenue. Liaoning's contribution to the Group's revenue is down 0.8 percentage points mainly because the revenue of the two local cemeteries reduced due to decline in sales volume.

OTHER SERVICES

Revenue from other services for the Year mainly represented revenue of approximately RMB23.0 million generated from our professional design services offered to cemeteries and funeral parlours throughout the nation, revenue from Construction Services (EPC) of RMB7.2 million, and revenue from the sale of cremation machines and other related services of approximately RMB5.9 million.

OPERATING EXPENDITURE

The Group's operating expenditure, which accounted for 65.8% of total revenue for the Year (Last Year: 47.8%), increased by RMB111.8 million or 8.9%. Such increase was mainly attributable to the following combined effects: 1) the addition of impairment of related assets in the amount of RMB127.8 million based on the evaluation and expectation of business operating environment and operating cashflow, of which the impairment of goodwill and related assets in connection with two cemeteries projects amounted to RMB104.2 million; 2) one-off redundancy compensation in order to optimize and increase the human resources efficiency group-wide; 3) increased tax expenses incurred by certain subsidiaries due to variable tax factors; 4) reduction in various operating expenditure in line with the decrease of sales volume.

The Group's staff costs include staff salaries, bonuses and benefits. During the Year, the staff costs decreased by RMB19.6 million or 3.9%. Such decrease was mainly attributable to the following combined effects: 1) reduction in salaries and bonuses in line with the decrease in sales number of cemeteries and funeral services; 2) one-off redundancy staff compensation in the second half of the Year; 3) some maintenance work which used to be outsourced started to be performed by the employees in certain subsidiaries; 4) the increase of staff costs from the companies newly acquired or established since the second half of Last Year, such as Yan'an Hongfu and Shengyang Fuyou.

The construction costs relate to the expenditures in building burial plot products (excluding stone materials). During the Year, the construction costs decreased by RMB9.0 million or 7.3% in line with the reduced construction size in view of the decreased sales volume, as the Group closely monitored the construction planning of the theme parks in the cemeteries in order to optimize the construction size and increase the input-output efficiency. Meanwhile, the Group focuses on cost invested in construction, through optimizing the vendors pool and suppliers ranking, reducing overall procurement and engineering costs while maintaining quality and quantity, continuously improving the return on investment in construction.

Consumed materials and goods relate to materials and goods consumed when we provide burial, funeral and other services. They also include the materials and goods consumed when we build burial plots. During the Year, the consumed materials and goods decreased by approximately RMB39.0 million or 20.6%, in line with the decline of business volume of burial and funeral services. Meanwhile, the Group focuses on implementing the centralized procurement to a larger scale and to cover more materials with a view to continuing to reduce overall purchase costs.

Marketing and sales channel costs mainly include advertising costs, marketing costs and sales commission. During the Year, the marketing and sales channel costs decreased by RMB7.3 million or 14.9%. Such decrease was the combined effect of reduced sales volume, better control of marketing costs and decline of sales commission percentage offered to the third-party sales agents.

During the Year, depreciation and amortization increased by RMB6.6 million or 3.9%, mainly due to the commencement of full period operation of certain new cemeteries and funeral facilities.

Other general operating expenditures increased by RMB72.8 million or 42.5%, mainly due to the increased maintenance expenses and water/electricity consumption costs as well as the increased tax expenses incurred by certain subsidiaries due to variable tax factors and was partly offset by 1) the reduction of relevant expenditures such as entertainment fees, travel expenses, conference expenses, transportation costs, etc. in line with the decline of sales volume; and 2) the continued implementation of in-depth cost control measures group wide during the Year.

Impairment losses of RMB104.2 million were recognized on property and equipment, intangible assets, cemetery assets and goodwill in connection with two cemetery projects after evaluation of their updated business environment, projection of operating cash flow and etc. Among the aforesaid RMB104.2 million, impairment losses of RMB60.4 million were recognized on the related assets of a cemetery located in Shandong Province whereas impairment losses of RMB43.8 million were recognized on the related assets of a cemetery project located in Liaoning Province.

OPERATING PROFIT AND OPERATING PROFIT MARGIN

As a result of the foregoing change of revenue and operating expenditure, our operating profit for the Year decreased by RMB662.3 million or 48.3% as compared to that of Last Year. The following table sets forth a breakdown of our operating profit and operating profit margin by segment for the Year:

	2024		2023	
	Operating Profit (RMB'000)	Operating Profit Margin	Operating Profit (RMB'000)	Operating Profit Margin
Burial services	706,754	41.3%	1,304,277	60.2%
Funeral services	28,664	8.5%	64,413	16.2%
Other services	(27,425)	(73.3%)	1,847	2.4%
Inter-segment elimination	1,894	(22.7%)	1,662	(12.2%)
Total	709,887	34.2%	1,372,199	52.2%

During the Year, the operating profit margin of burial services decreased to 41.3% from 60.2% of Last Year. The decrease was mainly because the accumulated and deferred market demand for burial plot services was released in Last Year, resulting in quick sales rebounds among the cemeteries to different levels, better margin and higher comparative revenue base. However, with lower sales volume and the existence of the fixed costs (depreciation and amortization), the operating profit margin of the burial services slid during the Year. In addition, given that two cemetery projects' business performance did not meet the expectation and after prudent evaluation of their updated business environment, historical financial records as well as future market projection, impairment losses of RMB104.2 million were recognized on the related assets of these two projects, resulting in further decline of the operating profit margin of the burial services.

Funeral facilities started to resume normal operations during Last Year, and the increase in funeral service volume has increased the marginal effect of sales revenue. During this Year, the service volume group wide declined on the prior year's higher comparative base. In addition, the facilities, which render comparatively higher value-added services have reported a reduction in service volume during the Year. For instance, the facilities in Chongqing have seen a decrease in service volume due to fiercer local competition as well as the temporary suspension of business operation upon office refurbishment. The aforesaid resulted in a decline of the operating profit margin of the Group's funeral services.

During the Year, other services segment recorded an operating loss of RMB27.4 million, mainly arising from the continued investments in the research and development of technology and products of cremation machines and Fu Shou Cloud, which are our two strategic segments; partly offset by the construction and design services. We are optimistic about the future of the business on our environmental-friendly cremation machines under the back-drop of tightening of the rules and regulations on environmental protection by the government. Fu Shou Cloud focuses on the application of technology in combined death care and “Internet + death care” services, which is an important direction of the future development of the Group.

FINANCE COSTS

Finance costs for the Year consisted of interest expenses of RMB9.1 million (Last Year: RMB2.1 million) on overseas bank loan designated for the purpose of dividend payout. Finance costs for the Year consisted of interest expenses of RMB0.8 million (Last Year: RMB0.9 million) on loans from non-controlling shareholders of certain subsidiaries, and interest expenses on lease liabilities and other long-term liabilities of RMB6.5 million (Last Year: RMB4.4 million).

Interest expenses on loans from non-controlling shareholders represent the interest expenses of loans borrowed by certain non-wholly owned subsidiaries from their non-controlling shareholders. These subsidiaries were jointly invested by the Group and those non-controlling shareholders. In addition to the registered capital, our Group and such non-controlling shareholders jointly provided funding to these subsidiaries for their land acquisition and cemetery development via shareholders’ loan in accordance with the respective shareholding percentages. The interests are charged based on the market rates.

OTHER INCOME, GAINS AND LOSSES

Other income, gains and losses for the Year mainly include interest income, government grants received, exchange gains and losses, changes in the value of financial assets at fair value, a gain recognized by a subsidiary arising from the receipt of a waiver of long term debt and etc. Interest income and gains from unlisted cash management products during the Year amounted to RMB66.6 million, representing an increase of RMB9.6 million or 16.8% as compared to Last Year; a gain of RMB43.4 million was recognized by Zhuolu Yuanbaoshan, a subsidiary of the Group upon the agreements of some debt waivers from the creditors; government grants received for the Year was RMB27.5 million, representing a reduction of RMB2.4 million or 8.0% compared to Last Year. Such gains were partially offset by the total exchange loss for this year of approximately RMB15.0 million, as compared to Last Year’s exchange gain of RMB1.6 million.

INCOME TAX EXPENSE

Under the EIT Law and its Implementation Regulations, our PRC subsidiaries are subject to the tax rate of 25% since January 1, 2008.

During the Year, income tax expenses recorded RMB313.2 million, representing a decrease of RMB142.5 million or 31.3% as compared to Last Year. The decrease is the combined effect of 1) decreased taxable income in line with the decline of the revenue; and 2) the applicable tax rates of the withholding tax on the relevant profits remitted from domestic subsidiaries to Group's overseas intermediate holding company decreased to 5% since the Group qualified for the requirements of the relevant bilateral tax agreement.

PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY

As mentioned above, our profit and total comprehensive income attributable to owners of the Company for the Year amounted to RMB373.1 million, representing a decrease of RMB418.1 million or 52.8% as compared to Last Year.

CASH FLOW

The following table sets forth a summary of our consolidated statement of cash flows for the Year:

	2024 <i>(RMB'000)</i>	2023 <i>(RMB'000)</i>
Net cash generated from (used in)		
— operating activities	731,628*	1,222,548*
— investing activities	107,745*	(481,796)*
— financing activities	<u>(1,078,214)</u>	<u>(387,518)</u>
Total	<u><u>(238,841)</u></u>	<u><u>353,234</u></u>

* A classification made by the management does not comply with International Financial Reporting Standards, however, the management considers this classification can better reflect the nature of the Group's business and can make the information disclosed more comparable. The net cash generated from operating activities disclosed in the audited financial statements amounted to RMB708.5 million (Last Year: RMB1,102.9 million) and the net cash generated from investing activities disclosed in the audited financial statements amounted to RMB130.8 million (Last year: net cash used of RMB362.1 million). During the Year, an amount of RMB23.1 million (Last Year: RMB119.7 million) relating to the payment for cemetery land acquisition was here classified under the cash used in investing activities, instead of cash generated from operating activities.

We generated our cash from operating activities primarily from proceeds of our death care service businesses. Our cash used in operating activities is primarily for the development and construction of burial plots, and other operating expenditures, also including dividend income tax expenses paid when distributing dividends overseas. Our net cash generated from operating activities amounted to RMB731.6 million for the Year, representing a decrease of RMB490.9 million or 40.2% as compared to the same period of Last Year, which was primarily due to the decrease in revenue, and the increased withholding tax payments arising from the dividends paid from domestic subsidiaries to overseas intermediate holding company within the Group.

Our net cash received from investing activities amounted to RMB107.7 million during the Year. It was primarily due to: (i) net amount of withdrawal of time deposits, entrusted loans and other financial assets of RMB169.3 million; (ii) the interests and gains from unlisted cash management products received of RMB59.3 million; which were partially offset by (iii) payment of RMB78.7 million for building new burial and funeral facilities and capital expenditures for upgrades and maintenance in other cemeteries and funeral facilities; (iv) payment of RMB23.1 million for the acquisition of cemetery lands; (v) investment in equity fund totalling RMB15.0 million; and (vi) payment of RMB4.7 million for the acquisition of operating rights of subsidiaries, cemeteries and funeral parlors as well as other investments.

Our net cash used in financing activities amounted to RMB1,078.2 million during the Year. It was primarily due to: (i) final dividends for 2023 and interim dividends for 2024 as well as the special dividend paid to Shareholders in the amount of RMB720.4 million; (ii) repayment of bank loan of RMB200.0 million; (iii) dividends paid by subsidiaries to their non-controlling shareholders of RMB132.2 million; (iv) repayment of lease payment and other long-term liabilities of RMB25.7 million; (v) payment of bank loan interest of RMB11.5 million; which were partially offset by (vi) receipt of non-controlling shareholders' investment of RMB11.0 million.

LIQUIDITY AND FINANCIAL RESOURCES

As at December 31, 2024, we had bank balances and cash of RMB2,056.6 million (December 31, 2023: RMB2,295.5 million), time deposits of RMB188.4 million (December 31, 2023: RMB167.7 million) and unlisted cash management products of RMB589.2 million (December 31, 2023: RMB776.5 million). Such financial assets represent cash management products with relatively lower risk ratings, which are repayable on demand and have maturity dates shorter than six months, or are repayable upon notice of withdrawn by the Company at its discretion. Such assets are highly dispersed and are managed by certain state-owned banks, with expected annualized return rates ranging from 1.38% to 3.05%. To support our expansion strategy, we hold a relatively high level of cash. In order to moderately increase capital returns, under the premise of ensuring safety and liquidity, we have allocated a part of treasury fund to short-term cash management products. Such products are issued and managed by state-owned banks and have clearly-specified expected return rates, maturity dates or are

immediately redeemable. Even though the principals and return rates of such products are in theory and as stipulated, determined by reference to the performance of the underlying assets, such as government debt instruments, treasury notes and corporate bonds with high credit ratings, and not guaranteed by the issuing banks, they are secured in substance considering the features and historical performance of such products and present situation of bank system in the PRC. We internally regard our treasury fund put in such cash management products as part of our cash balance, however, from the accounting point of view, they are classified as the financial assets at fair value through profit or loss. In the foreseeable future, we expect to fund our capital expenditure, working capital and other capital requirements from the cash generated from our operations, bank borrowings, and other financing channels. The Board confirmed that the transactions in financial assets for the Year, on a standalone basis or aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

As at December 31, 2024, we had no outstanding bank borrowings.

In addition, we had RMB10.0 billion of comprehensive bank credit line as at December 31, 2024.

GEARING RATIO

Gearing ratio is total borrowings divided by total equity at the end of each financial period multiplied by 100%. Our gearing ratio as at December 31, 2024 was 0.5% (December 31, 2023: 3.5%). Our operation has been lightly leveraged because of our good cash generating capability from our operating activities. Although we expect that our capital expenditure in the following years will maintain at a relatively high level, we do not anticipate our gearing ratio will substantially increase considering the balance of bank and cash on hand. Therefore, we are exposed to limited interest rate risk.

CURRENCY RISK

The Group conducts its businesses in the PRC and its functional currency is RMB. However, certain bank balances are denominated in foreign currencies, which exposed the Group to foreign currency risk. As at December 31, 2024, the amount denominated in RMB, HK\$, and US\$ under the financial assets, time deposits, bank balances and cash accounted for 80.3%, 18.4% and 1.3%, respectively, of the total amount of these assets. We believe the current level of financial assets, time deposits, bank balances and certain payables denominated in foreign currencies expose us to a limited and manageable foreign currency risk. The management controls foreign currency risk by strictly managing the size of foreign currency risk exposure and closely observing the movement of foreign currency rates. We may, if necessary, hedge against foreign currency risk using financial instruments.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There were no other material acquisitions or disposals of subsidiaries and affiliated companies of the Group during the Year.

SIGNIFICANT INVESTMENTS

As at December 31, 2024, the Group did not hold any significant investments (December 31, 2023: Nil).

CHARGES ON ASSETS

As at December 31, 2024, the Group did not have any charges over assets (December 31, 2023: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at December 31, 2024, the Group has no specific plans for any material investments or capital assets.

EMPLOYEE AND REMUNERATION POLICY

We have adopted the Restricted Share Incentive Scheme on November 29, 2019 to provide incentive or reward to eligible participants including directors and employees for their contribution or potential contribution to the Group. As of December 31, 2024, the trustee of the Restricted Share Incentive Scheme held 48,800,000 Shares purchased from the secondary market and the above Restricted Shares have not been granted to eligible participants. There was no grant of Restricted Shares to the eligible participants during the Year.

As at December 31, 2024, we had 2,198 full-time employees (December 31, 2023: 2,417 full-time employees). We offer competitive packages and benefits to our staff. We also make contributions to social security insurance funds in accordance with applicable laws and regulations. Furthermore, we provide staff training and development programs and performance-based bonus to ensure that our employees are equipped with necessary skills and are remunerated according to their performance.

CAPITAL COMMITMENT

We contracted, but not provided in the financial statements, for capital expenditure in respect of acquisition of subsidiaries, land use rights, other investments, cemetery assets and property and equipment in a total amount of approximately RMB48.2 million as at December 31, 2024.

CEMETERY LANDS AVAILABLE

The saleable area for burial plots was approximately 2.83 million sq.m. as at December 31, 2024 (December 31, 2023: approximately 2.85 million sq.m.), which is sufficient to satisfy the needs of the Group's sustainable operation in the long run. When we determine the saleable area of each cemetery, we have already estimated and excluded those areas not for construction of tombs, such as the areas in connection with business centres, office buildings, landscaping and main roads. Such estimation may be updated from time to time as our development plan may be improved from time to time.

CONTINGENT LIABILITIES

As at December 31, 2024, we had no contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event that might affect the Group subsequent to the Year.

PROSPECTS

Looking ahead, we will strive to explore a new development model of the industry, reach the goal to carrying memory and emotion by the Internet technology and building the wisdom, efficient, environmental protection, warm service system, inject new connotation into the industry, continue to lead the industry reform and improve the service level. We will adhere to our strategy of expansion, look for suitable growth opportunities, strive for external development and business chain perfecting, consolidate the highly disintegrated resources of the PRC's death care industry, and boost our market share to cater for more people's need for high quality death care services. We will push for the implementation of all the signed projects. Leveraging our advanced philosophy and expertise in death care business, we will consolidate newly acquired businesses and raise their standards on a par with ours. We will actively transform from a death care service provider to a death care and life technology service provider, with the aim of offering high-quality life services and technology-driven commemorative services, promoting industry change and advancing social civilization.

Meanwhile, we will strive to make our cremation machine business become an important segment of the Group's business. With much effort to promoting pre-need business with the pre-need contract business as the core and innovative ideas in our collaboration with local governments, we will strive to increase the percentage of our funeral services in the Group's business and the scale of professional design business, and foster the integration of the Internet to improve service contents and accessibility and formulate our plan for the business of death care related consumables. Last but not least, while promoting growth in various business segments, we will strive for a balance between short-term interest and long-term value, expand our business at a more steady and sustainable pace, and stay focused on managing Fu Shou Yuan, a living entity that carries memories and emotions, with a view to consistently rewarding our Shareholders with the best returns.

ANNUAL GENERAL MEETING

The AGM will be held on Thursday, May 22, 2025 and the notice of AGM is expected to be published on or about Tuesday, April 22, 2025.

FINAL DIVIDEND AND SPECIAL DIVIDEND

On January 24, 2025, the Board declared a special dividend (the “**Special Dividend**”) of HK\$38.82 per Share to be paid in three tranches: 1) the Special Dividend of HK17.24 cents per Share is expected to be payable on Friday, April 25, 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, April 11, 2025 (“**Payment I**”), 2) the Special Dividend of HK10.79 cents per Share is expected to be payable on Friday, July 25, 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, July 15, 2025 (“**Payment II**”), 3) the Special Dividend of HK10.79 cents per Share is expected to be payable on Friday, October 31, 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, October 16, 2025 (“**Payment III**”). For more details, please refer to the announcement of the Company dated January 24, 2025.

The Board recommended the payment of a final dividend of HK9.54 cents per Share for the Year (Last Year: HK6.86 cents), which is subject to the approval by the Shareholders at the AGM. The final dividend is expected to be payable to the Shareholders on Friday, June 27, 2025. The final dividend will be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, June 17, 2025.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Monday, May 19, 2025 to Thursday, May 22, 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 share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, May 16, 2025.

For determining the entitlement to the proposed final dividend, the transfer books and register of members of the Company will be closed from Friday, June 13, 2025 to Tuesday, June 17, 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, June 12, 2025.

For information of the closure of register of members for the Payment I, Payment II and Payment III, please refer to the announcement of the Company dated January 24, 2025.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Year.

No incident of non-compliance with the Model Code by the Directors was noted by the Company for the Year.

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of corporate transparency and accountability. The Company is committed to achieving high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures. The Company has adopted the CG Code as its own code of corporate governance. The Board is of opinion that the Company has complied with the code provisions as set out in the CG Code during the Year.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Year. There are no treasury Shares held by the Company (whether held directly or deposited in the Central Clearing and Settlement System or otherwise) as at December 31, 2024 and the date of this announcement.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee, comprising three independent non-executive Directors, namely Mr. Ho Man (Chairman of the Audit Committee), Mr. Luo Zhuping and Mr. Chen Xin, and a non-executive Director, namely Mr. Huang James Chih-Cheng, has reviewed together with the management of the Company and the external auditor the accounting principles and policies adopted by the Group, annual results and the consolidated financial statements of the Group for the Year.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fsygroup.com). The annual report for 2024 will be published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS

“AGM”	annual general meeting of the Company to be held on May 22, 2025
“Anhui Longmen Cemetery”	a cemetery in Suzhou of Anhui Province and operated by Anhui Longmen Cultural Cemetery Co., Ltd.* (安徽龍門文化陵園有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Anyang Tianshouyuan Cemetery”	a cemetery in Anyang of Henan Province and operated by Anyang Fushouyuan Civil Service Co., Ltd.* (安陽福壽園民生服務有限公司), formerly known as Anyang Wulong Civil Service Co., Ltd* (安陽縣五龍民生服務有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“ASP”	average unit selling price
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors
“CG Code”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Changchun Huaxia Cemetery”	a cemetery in Changchun City of Jilin Province and operated by Changchun Huaxia Cemetery Co., Ltd.* (長春華夏陵園有限公司), a limited company established under the laws of the PRC

“Changzhou Qifengshan Cemetery”	a cemetery in Changzhou City of Jiangsu Province and operated by Changzhou Qifengshan International Cemetery Co., Ltd.* (常州棲鳳山國際人文陵園有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Chaoyang Longshan Cemetery”	a cemetery in Chaoyang County of Liaoning Province and operated by Chaoyang Longshan Fuyuan Cemetery Co., Ltd.* (朝陽縣龍山福園公墓有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Chongqing Baitayuan”	a cemetery in Yongchuan of Chongqing Municipality and operated by Chongqing Baitayuan Funeral and Burial Development Co., Ltd.* (重慶白塔園殯葬開發有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Company” or “Fu Shou Yuan”	Fu Shou Yuan International Group Limited (福壽園國際集團有限公司), a limited liability company incorporated under the laws of the Cayman Islands on January 5, 2012
“Director(s)”	the director(s) of the Company
“EIT Law”	the Law of the PRC on Enterprise Income Tax
“FSY Hong Kong”	Fu Shou Yuan Group (Hong Kong) Limited, a limited liability company incorporated in Hong Kong on October 10, 2011. It is a direct held subsidiary of the Company
“Group”, “our Group”, “us”, “we” or “Fu Shou Yuan Group”	the Company and its subsidiaries
“Guangxi Huazuyuan Cemetery”	a cemetery in Fangchenggang City of Guangxi Zhuang Autonomous Region and operated by Guangxi Huazuyuan Investment Co., Ltd.* (廣西華祖園投資有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company since November 2017

“Guanlingshan Cultural Cemetery”	a cemetery in Tieling City of Liaoning Province and operated by Liaoning Guanlingshan Cultural Landscape Cemetery Co., Ltd.* (遼寧觀陵山藝術園林公墓有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Guizhou Tianyuanshan”	Zheng’an Fu Shou Yuan Industrial Co., Ltd.* (正安縣福壽園實業有限公司), formerly known as Guizhou Tianyuanshan Funeral Service Co., Ltd.* (貴州天圓山殯儀服務有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Haigang Fu Shou Yuan”	a cemetery in Pudong New District of Shanghai (上海浦東新區) and operated by Shanghai Nanyuan Industrial Development Co. Ltd.* (上海南院實業發展有限公司), a company established in the PRC and a subsidiary of the Company
“Harbin Mingxiyuan Cemetery”	a cemetery in Harbin, Heilongjiang Province and operated by Harbin Mingxiyuan Cemetery Co., Ltd.* (哈爾濱明西園公墓有限責任公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Helinge’er Anyou Cemetery”	a cemetery in Hohhot City of the Inner Mongolia Autonomous Region and operated by Inner Mongolia Fu Shou Yuan Industrial Co., Ltd.* (內蒙古福壽園實業有限公司), formerly known as Helingeer County Anyou Ecological Memorial Cemetery Co., Ltd.* (和林格爾縣安佑生態紀念陵園有限責任公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Henan Fu Shou Yuan”	a cemetery in Longhu Town, Xinzheng City of Henan Province (河南省新鄭市龍湖鎮) and operated by Henan Fu Shou Yuan Industrial Co., Ltd.* (河南福壽園實業有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Heze Fuluyuan”	a cemetery in Heze City of Shandong Province and operated by HezeFuluyuan Cemetery Management Co., Ltd.* (荷澤福祿園公墓管理有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hubei Tiansheng Cemetery”	a cemetery in Wuhan of Hubei Province and operated by Hubei Tiansheng Cemetery Co., Ltd.* (湖北天聖公墓有限公司) a limited company established under the laws of the PRC and became a subsidiary of the Company since January 2019
“Jinsha Fuze”	Jinsha Fuze Binzang Co., Ltd.* (金沙縣福澤殯葬有限責任公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Jinzhou Maoshan Anling”	a cemetery in Jinzhou City of Liaoning Province and operated by Jinzhou City Maoshan Anling Co., Ltd.* (錦州市帽山安陵有限責任公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Last Year”	the year ended December 31, 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Luoyang Xianhe Cemetery”	A cemetery in Luoyang City of Henan Province and operated by Luoyang Xianhe Memorial Cemetery Co., Ltd.* (洛陽仙鶴紀念陵園有限公司), a limited company established under the PRC and a subsidiary of the Company since January 2017
“Meilin Century Cemetery”	a cemetery in Nanchang City of Jiangxi Province acquired and operated by Nanchang Hongfu
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Nanchang Hongfu”	Nanchang Hongfu Humanities Memorial Co., Ltd.* (南昌洪福人文紀念有限責任公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Restricted Share Incentive Scheme”	the restricted share incentive scheme adopted by the Company with effect from November 29, 2019
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shanghai Fu Shou Yuan”	a cemetery in Qingpu District of Shanghai and operated by Shanghai FSY Industry Group Co., Ltd.* (上海福壽園實業發展有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company

“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenyang Fuyou”	Shenyang Fuyou Funeral Service Co., Ltd.* (沈陽福佑殯葬禮儀服務有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Temshine”	Beijing Tian Quan Jia Jing Cemetery Construction & Design Co., Ltd.* (北京天泉佳境陵園建築設計有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company since August 2017
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “US dollar”	United States dollars, the lawful currency of the United States
“Wuyuan Wanshoushan Cemetery”	a cemetery in Wuyuan of Jiangxi Province and operated by Wuyuan Wanshoushan Lingyuan Co., Ltd.* (婺源縣萬壽山陵園有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Yan’an Hongfu”	a cemetery in Yan’an of Shaanxi Province and operated by Yan’an Hongfu Cemetery Co., Ltd.* (延安洪福公墓有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company
“Year”	the year ended December 31, 2024
“Zaozhuang Shanting Xingtai”	Zaozhuang Fu Shou Yuan Funeral and Burial Service Co., Ltd.* (棗莊市福壽園殯葬服務有限公司), formerly known as Zaozhuang Shanting Xingtai Funeral Service Co., Ltd.* (棗莊市山亭興泰殯儀服務有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company since November 2016
“Zhengzhou Anletang”	Zhengzhou Anletang Etiquette service Co., Ltd.* (鄭州安樂堂禮儀服務有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company

“Zhuolu Yuanbaoshan” a cemetery in Zhangjiakou city of Hebei Province and operated by Zhuolu Longhui Tianfu Yuanbaoshan Development Management Co. Ltd.* (涿鹿隆暉天富元寶山開發管理有限公司), a limited company established under the laws of the PRC and a subsidiary of the Company

“%” per cent.

* Denotes English translation or transliteration of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.

By order of the Board
Fu Shou Yuan International Group Limited
Bai Xiaojiang
Chairman and Executive Director

Hong Kong, March 21, 2025

As at the date of this announcement, the executive Directors are Mr. Bai Xiaojiang, Mr. Tan Leon Li-an and Mr. Wang Jisheng; the non-executive Directors are Mr. Lu Hesheng, Mr. Huang James Chih-Cheng and Ms. Zhou Lijie; and the independent non-executive Directors are Mr. Luo Zhuping, Mr. Ho Man, Ms. Liang Yanjun and Mr. Chen Xin.