中海物業
CHINA OVERSEAS PROPERTY

CHINA OVERSEAS PROPERTY HOLDINGS LIMITED
中 海 物 業 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2669)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

1. For the year ended 31 December 2024, the gross floor area ("GFA") under the Group's management increased by 7.4% or 29.6 million sq.m. to 431.1 million sq.m. compared with last year end. In which, new orders secured were 74.1 million sq.m., while 44.5 million sq.m. were withdrawn in order to optimise the GFA component structure and manage loss projects, thus enabling a more balanced business development and enhancing operational efficiency. Among the new orders, 63.3% was from independent third parties, while 49.7% and 50.3% of the new GFA were from residential projects and non-residential projects respectively. As at 31 December 2024, the portion of GFA under management sourced from independent third parties and for non-residential projects were 39.4% and 28.7% respectively (At 31 December 2023: 40.5% and 30.1% respectively).

2. During the year, new secured contract sums was RMB4,441.2 million, in which, RMB2,848.7 million was sourced from independent third parties while approximately RMB2,342.7 million and RMB2,098.5 million were secured from residential projects and non-residential projects respectively.

3. Revenue increased by 7.5% to RMB14,023.8 million, comparing to revenue of RMB13,051.3 million in the last year.

4. Gross profit increased by 12.4% against last year to RMB2,325.5 million (2023: RMB2,069.8 million). Gross profit margin improved to 16.6% for the year (2023: 15.9%).

5. Profit attributable to ordinary equity holders of the Company increased by 12.5% against last year to RMB1,510.9 million (2023: RMB1,342.5 million). Basic and diluted earnings per share was RMB46.00 cents (equivalent to approximately HK50.27 cents) (2023: RMB40.84 cents (equivalent to approximately HK45.68 cents)), representing an increase of 12.6%. Average return on equity in 2024 was 32.7% (2023: 36.8%).

6. The Board recommended the payment of a final dividend of HK9.5 cents per share for the year ended 31 December 2024 (2023: HK8.5 cents per share).

The board of directors (the "Board") of China Overseas Property Holdings Limited (the "Company") is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the "Group" or "COPL") for the year ended 31 December 2024. The annual turnover of the Group was RMB14,023.8 million, representing an increase of 7.5% as compared to RMB13,051.3 million of last year. Operating profit rose by 11.6% to RMB2,012.4 million (2023: RMB1,803.4 million). The profit attributable to ordinary equity holders of the Company increased by 12.5% to RMB1,510.9 million (2023: RMB1,342.5 million). Basic and diluted earnings per share was RMB46.00 cents (equivalent to approximately HK50.27 cents) (2023: RMB40.84 cents (equivalent to approximately HK45.68 cents)). Average return on equity was 32.7% (2023: 36.8%). After taking into account the Group's dividend policy, capital market expectations, the business results for the year and future business development needs, the Board recommended the declaration of a final dividend of HK9.5 cents (2023: HK8.5 cents) per share for the year 2024. Together with the interim dividend of HK8.5 cents (2023: HK5.5 cents) per share distributed in October 2024, total dividends for the year will amount to HK18.0 cents (2023: HK14.0 cents) per share. The proposed final dividend is subject to the approval by the shareholders of the Company at the annual general meeting to be held on 18 June 2025 (the "2025 AGM").

In 2024, the world experienced rapid geopolitical changes. Tangible risks were posed by the emergence of neo-protectionism and international trade tensions, which have given rise to tariff barriers and dealt a severe blow to the principle of free trade guided by market supply and demand. With continued consumer price inflation, high interest rate monetary policy dampened investor sentiment and affected demand, resulting in a slowdown in global economic growth. Facing with the deepening adverse impact from changes in the external environment, China insisted on its stable progress towards Chinese modernisation and further implemented deepened reforms. Notwithstanding that, the issue of inadequate effective demand in the short-term is apparent, certain enterprises faced operational difficulties and the foundation for economic recovery requires further reinforcement. It would take time for the stablising measures for the real estate market to take effect and adapt to the new environment with significant changes in the supply and demand relationship. Meanwhile, rapid expansion in the property management industry in the past came to its ends. Large property management enterprises no longer blindly pursue scale expansion, but instead return to the basics and focus on the refining, deepening and improving its service quality. Whilst maintaining stable cash flow and progressive business development, the industry entered an era of standard-oriented transformation and upgrade. It will move forward in a new stance and enter a new era of high quality and steady development. The Group believes that continuous economic recovery would be sustained by China's commitment to the overall principle of seeking progress in stability, accelerating the paradigm shift to a new development pattern, promoting high-quality development, further deepening reforms and opening up, implementing more proactive macro policies, boosting domestic demand, promoting the integration of technological and industrial innovation, stabilising expectations and stimulating vitality. High-quality development will lead the whole country to achieve a new stage of progress and help accelerating the growth of new momentum and new advantages.

2024 is an important milestone fulfilling the "14th Five-Year Strategic Plan" of the Group. As a leading property management enterprise, COPL leveraged its resource endowment, branding advantages, economics of scale and long-term accumulated operating strengths, to reinforce its leading position. It will spearhead as an exemplary model of pursuing a synergistic balance of being "service-minded, result-oriented and scalability-based", determine to promote "The China Overseas Proprietary Methodology in the Modernisation of Property Management" ("COPMPM") to consolidate the foundation of high-quality development and market orientation, and sets quadruple roles with serving a better life as the core objective. Firstly, as an explorer for city services, we combine various property management portfolios that are managed separately into an integrated service capability. Secondly, as a promotor for the development of the entire industry chain, we actively consolidate internal and external resources. Thirdly, as a guardian who safeguards a better living, we advocate renovations of old community buildings and supporting facilities, improve urban micro-space and stimulate residents' public service consumption. Fourthly, as a developer of co-construction, co-governance and co-usage, we build a community ecology with owners and a project commitment charter with suppliers. Entering into a new phase of industry development, the coverage of service targets of property management enterprises has been extended from small communities or neighbourhoods (being the basic units of urban construction) to large cities formed by countless basic units. We will vigorously develop the integrated service operation of urban space that co-exists with the logic of urban system. We will strive to become not only a manager of urban buildings, but also an operator of urban basic services as well as a dedicated participant in upgrading urban services, with a view to promoting the unity of the three dynamics: the grassroots governance of the government, the management of owners' rights and interests, and the commercial behavior of enterprises.

With the corporate mission of "We Manage Happiness", COPL adheres to the performance pledge of "Property Assets to be Entrusted" and establishes "COPMPM" as our medium to long-term targets, to create new service capabilities within the industry and endeavour to become an integrated service operator for urban space. We put forward our brand proposition of "Good Seasons, Good Property, Good Community" (collectively, the "Three-Good"). "Good Seasons" reflects our property management capability in that we can, through quality products and services, create a joyful living experience with a sense of belonging and provide customers with a pleasant living environment where they can live and work in contentment; "Good Property" reflects our customer service capability in that we can respond efficiently, predict demands and establish deep and long-term relationships with our property owners, customers, employees, partners and the government; "Good Community" reflects a sense of ownership that allows property owners, the property enterprise and the communities to build a neighbourhood governed and enjoyed by all under the spirit of "Everyone Owns and Takes Responsibilities". The "Three-Good" depicts a visionary prospect of "COPMPM", which, with our benchmarking projects, addresses the concerns and expectations of our customers, to whom we realise our promise on value, the industry, to whom we project our strategies outward, and the society, to whom we fulfil our responsibility as a corporate citizen.

With "Property Management Portfolio" as our cornerstone, the Group continued to cultivate the quality and efficiency of its basic services in the residential, non-residential and city service segments based on property management contracts, and continuously improve the quality of project performance in order to enhance customer satisfaction. Meanwhile, we provide diversified urban living services (including ten- minute dining service circles, automated gate access app for delivery riders, customised family banquets, in-home elderly value-added services, health consultation, haircuts, maintenance and cleaning, polishing and mending, printing, supermarkets, pet care, community flea markets, leisure and entertainment facilities and activities, cultural guided tours, etc.) to shorten the distance to the residents and show the humane care and services of the property, so as to increase customer loyalty and enhance fertile soil of our value-added services. Extending our business from our "Ecology", we innovated and developed in the fields of residential value-added services, non-residential value-added services and technology to increase the output value per unit area. All businesses complement and integrate with each other to create the unique COPL business logic of "One Trunk with Multiple Branches, Synergy of Various Businesses" through deepening vertical integration, so as to achieve value preservation and increment of our project buildings under management.

As an avant-garde in the property management industry in the People's Republic of China (the "PRC" or "China") with first-class qualifications, the Group started its property management service in Hong Kong in 1986, with 38 years of cultivation in Hong Kong and Macau. We set foot in Mainland China in 1991 and have achieved remarkable results. The Group fully integrates the property management experiences in Hong Kong into the practical situation in Mainland China. The Group firmly believes in "Quality and Enthusiasm", which has guided us through the years and will direct our future development. We adhere to the enterprise spirit of "To Forge Ahead with All One's Heart Everyday" to attain well-rounded improvement in capabilities, the core value of "Customer-Oriented, Quality Assurance and Value Creation" to fulfill our mission and move towards our vision. We stay true to our mission and implement prudent measures with perseverance. We are committed to achieving long-term sustainable and steady growth for our shareholders by cultivating the quality of our services and seeking win-win cooperation.

In order to ensure long-term sustainable operation, the Group has always been committed to the enterprise spirit of "To Forge Ahead with All One's Heart Everyday" and the sincere attitude of "Serving Whole-Heartedly Every Single Day". We have been endeavoring along the road to the standardisation, refinement and differentiated customisation of property management services. Our confidence in achieving sustainable and steady growth in the long run mainly stems from the promising prospect of urbanisation in China, which has driven the property management industry to a new phase of development and ensured industrial growth and stability. On the road to continuous development, with the gradual recognition of the value of the Group's quality services in the market, our market expansion and service product development capabilities have been enhanced significantly. In 2024, the Group had presence in a total of 167 cities, covering Hong Kong and Macau, and a current workforce of approximately 38,627 employees, with 2,232 property management projects with a service area of nearly 431.1 million sq.m. and 448 pre-sales sites projects under management. We continued to diversify our property management portfolio, expand the coverage of non-residential areas, and further diversify our product portfolio consisting of commercial complexes, offices, shopping centers, hotels, industrial parks, logistic parks, aviation, high-speed rail, hospitals, schools, government properties, urban services, parks, ports, roads and bridges, bus terminuses and other public facilities. During the year, we secured new contracts of Beijing Hengyi Tower, Beijing Tian Yuan Xiang Tai Building, Xi'an China Coal Shaanxi Energy Chemical Industrial Park, Huai'an China Mobile Online Industrial Park, Chengdu Suburb Ecological Zone, Guangzhou Baiyun International Airport, environmental hygiene and janitorial service project from the Residential District Office of Shekou, Nanshan District, Shenzhen, urban management and daily maintenance project from Jinan Jizhong Urban Development, school and hospital projects, such as the Tongzhou Campus of Renmin University of China in Beijing, the University Town Campus of Guangzhou University of Chinese Medicine, Inner Mongolia University of Finance and Economics, Inner Mongolia International Mongolian Medicine Hospital, the logistics and social integration service project from the Shenzhen Nanshan District Medical Group Headquarters and other projects. In Hong Kong and Macau regions, we successively won the tenders for property management of Hong Kong Housing Authority Headquarter Office Building, Hong Kong North Lantau Hospital, Hong Kong Customs Training and Youth Development Centre, governmental elderly apartment in Macau, Mercado Municipal do Bairro Iao Hon and other projects, while also provide property and facility management services for the Justice Place and the Former French Mission Building in Hong Kong. We also began trial runs of intelligent cleaning robot, "Xiao Qing" (小清), and patrol robot, "Xiao Bao" (小保), to serve Hong Kong public housing estates, integrating technology into humanistic elements. At the same time, our property management services are extended to over 60% of the hospital projects under the seven clusters of the Hospital Authority and the headquarters building of Hospital Authority. Currently, our government management projects cover three offices, twelve bureaux and twenty-two executive departments. We remained the largest provider of property management services in Hong Kong and the leading Chinese property management services corporation in Hong Kong and Macau regions with the No.1 ranking in market share of property management in Hong Kong.

Aligned with the goal of "One Benchmark in Each City with Diversified Benchmarking", the Group continued to build its COPL Benchmarking Project Service System by exploring a "replicable and sustainable" systematic approach, with a total of 66 projects have been assessed and accepted across 48 cities nationwide. These projects demonstrate both "Three Highs", namely, high-quality operational capability, high industry and customer recognition and high application rate of new technologies, as well as "Three Capabilities", namely, experience replicability, technology equipments' upgradability and green environmental sustainability, thereby maintaining our customer satisfaction at an industry-leading levels, while enhancing our property service levels from communities to cities. COPL's benchmarking exemplary projects cover five major business sectors, which serve as the prototype carriers to contain the Group's professional experience over the years, project management model and the implementation of comprehensive business reform. Through the integration with our standardisation efforts, we will actively enhance those projects with impacts on the local property industry, such as Peking Union Medical College Hospital, Renmin University of China and Zhangjiakou Economic Development Zone, to demonstrate the innovative leadership and radiating influence of our "Good Houses, Good Services.", and provide property management services with higher-quality, better convenience and enhanced efficiency. Looking forward, COPL will create products and services with higher competitiveness in areas such as city services, old community rehabilitation, smart parks, and new business model creation. Meanwhile, we continue to promote and extend full life cycle services in property development. We provide property developers with whole-process property consultation and management services, including product positioning consultation, gardening, interior fine furnishing, vetting of building plans, equipment and facility selection advice, pre-delivery marketing value-added services, sales of residual flats, contracting of basic positions, carefree property service products with perfect delivery support services, delivery inspection services and quality control of engineering services, etc. These mark a significant improvement of capabilities in the integration of our upstream and downstream supply chain.

Currently, the Group serves over 100 corporate customers which are the world's top 500 companies, and has become the most reliable business partner of central enterprises, state-owned enterprises, and private enterprises. COPL have been highly acclaimed by all sectors of society, being the only brand in the industry in the first batch of outstanding service brands under the Chinese Central State-owned Enterprises' Initiative: Lead with Brand launched by the State-owned Assets Supervision and Administration Commission of the State Council, and awarded “China NO.1 Property Management Company by Brand Influence” for seven consecutive years. We were also named as “2024 Leading Listed Company of Property Management Service TOP 10 by High-quality Development”, “2024 China TOP 10 Listed Property Management Companies in terms of Comprehensive Strength”, “2024 Top 100 State-owned Property Management Companies in China NO.2”, “2024 Top 500 of China Property Management Companies NO.4”, “2024 Top 20 Listed Company of Property Management Service”, “2024 TOP 100 Property Management Companies in China”, “Top 100 Chinese Property Enterprises with Service Capability in 2024”, and “2024 China Property Management Service Leading Quality Brand”. Meanwhile, the Group was also included as a constituent in the Morgan Stanley Capital International Index (MSCI) Global Small Cap Index (China) and continued to be included in the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programs, as well as the Hang Seng Property Service and Management Index, receiving high recognition from the capital market.

With our outstanding performance in environment, society, and governance, we were awarded the “2024 China Excellent Property Management Company by ESG Development”, “2024 China Leading Property Management Company in ESG and Sustainable Development”, "2024 China Leading Property Management Company with Low-carbon Operation”, “2024 China Listed Companies Yinghua Award Hong Kong Stock ESG Value Award”, “ESG Corporate Communication Award”, “ESG Corporate Award”, “ESG Social Innovative Technology Award” and “ESG Environmental Innovative Technology Award”. COPL has always upheld the sustainable development philosophy, through continuous project transformations, such as “Haibo” (海博) vehicle charging pile, energy-saving reformation of basement lighting, promotion of garbage classification, etc., we integrate ESG into every aspect of production and operations. During the year, the Group put forward COPL's commitment and strategic path for the "Dual Carbon" goal, and published the "White Paper on Carbon Neutrality" to infuse "COPMPM" with green development connotations, creating an important logo as an excellent enterprise and actively fulfilling responsibilities as a central enterprise.

As a platinum member of the Building Owners and Managers Association International, an international accreditation organisation, the Group's business service brand, "Hainawanshang" (海納萬商), continued to cultivate its position in segments such as office buildings, commercial complexes, hotels, industrial parks, and large-scale government and public buildings. With a strict adherence to international standards, it has made multifaceted efforts to enhance its capability to provide standardised basic services. Under the premise of full coverage of its projects' life cycle, emphasises has been put on its capability to carry out comprehensive management on, exploit the business resources of, and conduct intelligent construction in projects under traditional segments. It has also paid close attention to the diversified needs of attribute customers, with the new development engine powered by its asset operations across the entire business chain.

COPL's "Xinghai Wulian" (興海物聯) empowers high-quality development with technology and uses digitisation to promote industry-leading modernisation changes. It has been committed to developing core key technologies, with a major focus on smart properties, smart communities, smart operation and maintenance, dual-carbon fields and enterprise digitalisation, aiming to improve the operational efficiency of property management, enhance the quality of value-added services, and increase the involvement of technology in property market expansion. Xinghai Wulian won multiple international and domestic awards in 2024. Its self-developed "Key Technologies of Edge Computing Hubs in Smart Parks and the Promotion of its Application" has won the first prize of the 2023 Science and Technology Progress Award of Guangdong Province, and its self-developed "Smart Terminal EdgeBrain Product" has won the International Silver Medal at the 49th Geneva International Invention Exhibition. To achieve the constructive goal of "Modernisation of Scientific and Technological Application", "Xingqi Platform Technology" (星啟中台技術), the core technology of Xinghai Wulian, has been applied by the Group as the foundation of its digital transformation, which provides abundant technology resources and business applications for the project operation and management platform and the big data management platform, facilitating the precise implementation of the Group's digital transformation. Based on the concept of "Solution + Platform", the "Xingqi Intelligent Space" (星啟智慧空間), our core product system, has become the industry's first integration solution covering software and hardware from "Cloud, Edge to Terminal" that support multiple types of business operation. We have stepped up efforts in exploring and practising innovative digital solutions for the property management industry, where we have built an intelligent platform for health and elderly care and an integrated intelligent management platform for hospital properties, with the implementation of new models. We remained steadfast to market-oriented operation supported by the products under our operation and management platform for projects of multiple segments, focused on high-quality development, and constructed smart park eco-systems with an array of variety. We continued our market deployment in high-value segments, creating scenario-based benchmark projects to diversify our development directions. We continued to explore frontier fields such as smart city construction, digitalisation, dual-carbon and green development, so as to consolidate and improve our core competitiveness and to implement the strategy of leading by technological capabilities. At the same time, "Haibo Engineering" (海博工程) has implemented the "One Line, Five Chains" business plan to channel its efforts towards the three major directions of dual-carbon market, the existing market and the value-added market, with focus on the whole life cycle of buildings and from the perspectives of real estate service industrial chain, the intelligent operation and maintenance industrial chain, the energy management industrial chain, the business incubation ecosystem chain and the procurement and supply chain. We strived to provide comprehensive value-added engineering services to corporate clients and property owners, including warranty business, inspection and maintenance, integrated facility management, elevator renewal and retrofitting, intelligent fire protection, new energy charging operation, and energy management contracting. We have also innovated own-branded products such as "Haibo" smart charging socket, vehicle charging pile and smart energy saving light, as well as new business modes such as group decoration of new houses, elder-friendly renovation and supply chain procurement. Haibo Engineering is determined to build up differentiated competitive edges by the development of sustainable businesses that continue to feed back its basic services with real value creation, so as to build a symbiotic and win-win service ecosystem together with its customers.

The Group's brand for community value-added services, "UN+" (優你互聯), has been awarded as an "China Quality Living Operator Branded Enterprise" in 2024. It has established a community value-added services system that revolves around three major areas, namely community area operations, property value-added services and community living services, striving to become the most customer-savvy community value-added service operator by integrating resources and empowering our business through COPL's community living services platform. For community area operation, it has further promoted the implementation of its self-operated advertising business, launching full-fledged community brand promotion activities, and dispatching a variety of smart terminals to COPL's communities across the PRC for the convenience and benefit of the residents. For property value-added services, its rental and sales division expanded its business scale and project store network in a timely manner through various modes such as direct sales, internal joint ventures and external associates, and strived to become a leading channel for the distribution of new homes for property developers. We provided one-stop professional asset management services for property owners by gaining market share through two major business modes, namely agency sales and channel distribution. The home renovation business has integrated the resources of leading business vendors, encompassing mainstream categories such as, among others, smart home appliances and balcony window sealing. Through the introduction of standard package in property marketing stage, move-in ready services at delivery stage, and post-occupancy replacement and remodeling services, it has broadened homeowners' choice in home purchase and renovation standards, providing with one-stop and worry-free home decoration services. For community life services, we focused on the owners' demand for quality lifestyle services in product launching and service optimisation. As to our home delivery business, we have entered into cooperation with a number of industry leading brands to make up for the shortcomings in housekeeping, home moving, medical planning and used items recycling, thereby broadening our services scope. We have set up physical stores for lifestyle services to explore the business model of "self-operating stores", which has become an important growth channel of our offline business. For cultural and tourism business, we have provided differentiated travel services to each property, launched iconic travelling festivals, and developed a new overseas travel services to enrich our cultural and tourism product offerings. Meanwhile, the retail business focused on frequently used products with strong inelastic demand, as well as wine and beverage products. It has also increased customers' consumption stickiness through e-commerce platforms, community marketplaces, community group purchases, and live streaming. In addition, we actively explored the new service model of "Property + Elderly Care", striving to establish a 15-minute elderly care circle for the seniors in communities by focusing on service areas such as elder-friendly renovation, recuperation travel and residence, and community meals, so as to better satisfy the increasingly diversified and multi-facet demand for elderly care service. "UN+" will continue to refine the offering of its community value-added services and make diversified innovations, explore value-added potentials and realise the diversification of value-added services, so as to meet our customers' ever-increasing demand for enjoyable living experience and depict an exquisite and colourful life.

The Group forge ahead with the idea of strengthening enterprises through deploying talents, follow the talent management concept of "To Assemble the Enterprising Ones and Motivate the Promising Ones", integrate personal pursuits into the long-term development of the enterprise, build a first-class enterprise with first-class talents, constantly respect the value demands of employees, and continuously improve the talent system. Firstly, we explore the COPL "Partnership System" management model to create a "1+N" agile team with "Project General Manager" as the core, realising the "Professional Property Managers" team management approach to support multiple projects, and realising an all-round "Operating Partnership" in "finance, market development, value-added, quality", etc. We have implemented the "Project Partnership System" (項目合夥人制), and enhanced the four major capabilities of our project teams, including the "Ability to manage", "Proficient of professionalism", "Skillful to operate businesses" and "Keen to generate increments", so that the project group can practically act as a frontline basic unit that can "fight individually", support rapid growth, stimulate team vitality and improve management efficiency. Under the intensive management of the "Professional Property Manager" team, back-office management costs are reasonably controlled, the proportion of basic service costs invested in projects is guaranteed, risk sharing and benefit-sharing are realised, and employees are fully mobilised to stimulate project organisation and self-motivation, thus creating more profit value to achieve the goal of a win-win situation in terms of personal income and corporate revenue generation. The “Partnership System” management model advocates that when encountering new problems and phenomena in practice, we should take the initiative to step out of our comfort zone, overcome cognitive blind spots, and learn and practice with a problem-solving and goal-setting mindset. Through the partnership system, we will seek and cultivate a management team who are professionally qualified, proactive to undertake responsibilities and determined to seek realisation of higher self-value in the future. Secondly, we promote a new model of professional fundamental business reform and optimise the staff deployment of professional positions, with the engineering station reform realising resource sharing and planned batch operations to achieve continuous optimisation of labour costs and gradual improvement of labour efficiency. Security personnel are integrated into a precise deployment model, with positions being fragmented, differentiated, and modularised to achieve a precise fit between people and positions, which helps improve efficiency and resistance to the pressure of squeezing gross profit margin caused by certain inflated costs. We have switched to the “New Model of Cleaning Outsourcing”, while “Security Outsourcing 2.0” has been optimised by simplifying the outsourcing design and processes, thereby better empowering the front line and improving work efficiency. Thirdly, COPL adheres to the tradition of “Craftsmanship in China Overseas”, takes “craftsman creation, cultivation and congregation” as the thread, and carries out the “Target Achievement Action” thoroughly to establish the “China Overseas Craftsmanship System” and “3・512” cultivation targets. We set up a systematic cultivation mechanism for frontline grass-roots staff, pay attention to and improve the professional quality of grass-roots staff, cultivate and reserve diversified talents, encourage and stimulate innovative research and development, facilitate learning through competition, spread and carry forward the spirit of craftsmanship, and release and showcase the value of positions. Through the “Craftsmanship System” talent plan which includes craftsmanship planning, craftsmanship action, craftsmanship inheritance, the three dimensions of the cultivation mode, we promote expertise and set up benchmarks and examples, so that each position will be provided on a professional basis. Each ordinary position will shine with focused attention, each idea of blazing creativity will be greeted with appropriate respect, and each member of the grass-roots staff will have a stage for self-expression. This serves as an important talent support for “COPMPM”. Since last year, 329 experts, 3,055 management backbones and 7,267 technical backbones have been evaluated, providing a large number of craftsman talents for the Company's "14th Five-Year" strategic plan, so as to guide and gather frontline employees to contribute greater wisdom and strength for the enterprise's high-quality, sustainable development, promote enterprise modernisation by the modernisation of talent, and forge ahead with the idea of strengthening enterprises through deploying talents based on the "Craftsmanship System".

Since 1 February 2024, the Guidance Catalogue for Industrial Structure Adjustment (2024) (產業結構調整指導目錄（2024 年本）) issued by the National Development and Reform Commission was officially implemented. The catalogue clarified the business classification and content of property services, reclassifying it from "Encouraged Other Service Industry" to "Encouraged Commercial Service Industry", with specific description as: (1) residential property management; (2) non-residential property management, which demonstrates the country's increased emphasis on the property management industry and its strong support for diversified and comprehensive property services. Looking ahead, the Group will endeavor along the road with the attitude of "Leading the Trend" amidst the fierce market-oriented competition to promote the transformation of traditional properties into modernised services. We will realise "COPMPM" through the path of "Technological Innovation and Cross-Sector Cooperation", will present the value of modernised professionalism through the "Benchmarking Projects as well as Value Preservation and Enhancement", and will demonstrate the performance of modernised management through "Talent Team and Corporate Culture", so as to comprehensively promote the modernised development of ecological chain cooperation, service system, IT application, brand building, talent team and basic management.

REVENUE AND OPERATING RESULTS

The Group is one of the leading property management companies in the PRC, with operations covering Hong Kong and Macau. The Group's management portfolio includes both residential properties and non-residential properties, such as commercial complexes, office buildings, shopping malls, hotels, industrial parks, logistics parks, aviation, high-speed rail, hospitals, schools, government properties, city services, parks, ports, roads and bridges, bus terminus and other public facilities. Through providing high-quality and sophisticated services to the customers and maximising customer satisfaction, we strive to preserve and add value to the properties under our management and to solidify our strong brand recognition as a renowned property management service provider for mid- to high-end properties in our core stream business.

By leveraging on the Group's brand equity, acclamation and size advantage, we expand the market steadily and strive to enlarge operating scale by securing diverse projects through a balanced enrichment of the market components. We promoted vertical and horizontal exploration of customer resources by consolidating the existing resources and seeking new ones. These continuously strengthened our revenue base and improved our market competitive position. As at 31 December 2024, the GFA under our management increased by 7.4% or 29.6 million sq.m. to 431.1 million sq.m. compared with last year end. During the year, new orders secured were 74.1 million sq.m., in which 63.3% were sourced from independent third parties, while 44.5 million sq.m. were withdrawn in order to optimise the GFA component structure and manage loss projects, thus enabling a more balanced business development and enhancing operational efficiency. During the year, new contract sums secured by the Group was approximately RMB4,441.2 million.

The following table sets forth a breakdown of the new orders secured by the Group by source of projects during the year ended 31 December 2024:

	New GFA under management secured		New contract sums secured
	million sq.m.	**%**	**RMB million**
Source of projects:			
China State Construction and China Overseas Group (Note)	**27.2**	**36.7%**	**1,592.5**
Independent third parties	**46.9**	**63.3%**	**2,848.7**
Total	**74.1**	**100.0%**	**4,441.2**

Note: "China State Construction and China Overseas Group" represented members under China State Construction Engineering Corporation and China Overseas Holdings Limited (including its subsidiaries, joint ventures and associates).

The Group implements and focuses on the strategic positioning as an integrated service operator for urban space and achieving diversification. During the year, the new GFA from residential projects and non-residential projects was 49.7% and 50.3% respectively, while the new contract sums amounted to approximately RMB2,342.7 million and RMB2,098.5 million respectively.

The following table sets forth a breakdown of the new orders secured by the Group by project type during the year ended 31 December 2024:

	New GFA under management secured		New contract sums secured
	million sq.m.	**%**	**RMB million**
Project types:			
Residential projects	**36.8**	**49.7%**	**2,342.7**
Non-residential projects	**37.3**	**50.3%**	**2,098.5**
— *Commercial and office buildings*	***5.3***	***7.1%***	***996.6***
— *Public and other properties*	***32.0***	***43.2%***	***1,101.9***
Total	**74.1**	**100.0%**	**4,441.2**

Since China's real estate market has still undergone a period of adjustment and transformation, reduced transaction volume caused a set-back to the growth of the property management industry. Facing the challenges, the Group insisted on seeking progress while maintaining stability and promoting high-quality development. During the year ended 31 December 2024, total revenue increased by 7.5% to RMB14,023.8 million comparing with last year (2023: RMB13,051.3 million), which mainly arisen from (i) the increase in GFA under our management under property management services and (ii) business growth on value-added services to residents, which were partly offset by the decline in value-added services to non-residents.

The following table sets forth a breakdown of the Group's revenue for the year:

	For the year ended 31 December					
	2024		**2023**		**Change**	
	Revenue		**Revenue**			
	Proportion	**RMB'000**	**Proportion**	**RMB'000**	**RMB'000**	**%**
Project management services:						
— Lump sum basis	**74.4%**	**10,427,259**	**70.3%**	**9,177,231**	**1,250,028**	**13.6%**
— Commission basis	**1.7%**	**238,973**	**1.8%**	**237,676**	**1,297**	**0.5%**
	76.1%	**10,666,232**	**72.1%**	**9,414,907**	**1,251,325**	**13.3%**
Value-added services:						
— Non-residents	**13.0%**	**1,828,734**	**16.5%**	**2,144,658**	**(315,924)**	**(14.7)%**
— Residents	**9.9%**	**1,384,606**	**9.9%**	**1,291,810**	**92,796**	**7.2%**
	22.9%	**3,213,340**	**26.4%**	**3,436,468**	**(223,128)**	**(6.5)%**
Car parking space trading business	**1.0%**	**144,195**	**1.5%**	**199,875**	**(55,680)**	**(27.9)%**
Total	**100.0%**	**14,023,767**	**100.0%**	**13,051,250**	**972,517**	**7.5%**

On the other hand, various cost control measures contained direct operating expenses at RMB11,698.3 million (2023: RMB10,981.4 million), mainly through material cost savings, overhead expenses reduction and increasing subcontracting efforts as well as proactive loss project management to improve operational efficiency. Accordingly, gross profit margin improved to 16.6% for the year (2023: 15.9%), with gross profit increased by 12.4% to RMB2,325.5 million (2023: RMB2,069.8 million).

Other income and gains, net was RMB197.1 million for the year (2023: RMB169.7 million), mainly representing higher interest income of RMB106.4 million from effective treasury management with higher average bank balances; tax incentives and government grants of RMB41.9 million, as well as mainly one-off written back of over-provided liabilities and exchange gains of RMB49.6 million.

Fair value loss of self-owned investment properties for the year was RMB6.7 million (2023: fair value loss of RMB6.6 million).

After deducting selling and administrative expenses of RMB431.4 million (2023: RMB386.9 million) and net impairment of financial assets and contract assets of RMB72.2 million for the year (2023: RMB42.5 million), operating profit increased by 11.6% to RMB2,012.4 million (2023: RMB1,803.4 million). Selling and administrative expenses increased by 11.5%, mainly attributable to higher investment in research and development expenses, which amounted to RMB65.7 million (2023: RMB26.2 million), to enhance service quality. Stripping out the effect from research and development expenses, selling and administrative expenses would marginally increase by 1.4%, reflecting the benefits brought from continuing manpower control under the lean management structure. The increase in net impairment of financial assets and contract assets comparing to last year was mainly due to the compound effects of the following factors: (i) an increase of provision to RMB78.6 million (2023: RMB65.2 million) on trade receivables, with continuing expansion of operating scale by adopting a more conservative impairment rate of 8.2% (2023: 6.5%) in accordance with the age of debts as a result of the economic environment; and (ii) net reversal of impairment of payments on behalf of property owners for properties managed on a commission basis of RMB6.4 million upon continuous recovering advances on certain projects during the year (2023: net reversal of impairment of RMB22.7 million).

Income tax expenses increased by 8.1% to RMB488.5 million for the year (2023: RMB451.9 million), mainly due to increase in profit before tax charged at different applicable regional tax rates. Among that, withholding income tax provision of RMB31.7 million (2023:

RMB29.4 million) in respect of dividends distributed/expected to be distributed from a PRC subsidiary was recognised during the year.

Overall, profit attributable to ordinary equity holders of the Company for the year ended 31 December 2024 increased by 12.5% to RMB1,510.9 million against the last corresponding period (2023: RMB1,342.5 million).

SEGMENT INFORMATION

PROPERTY MANAGEMENT SERVICES

The continuous improvement of service quality and customer satisfaction helped the Group solidifying its strong brand recognition as a renowned property management service provider for mid- to high-end properties in its core stream business. At the same time, through possessing a diversified and one-stop business capability and providing full range property management solutions to properties under development, we were able to gain early access to those properties and maintain proximate business relationships with them. In 2024, by leveraging on the Group's brand equity and size advantage, we steadily commenced market expansion to enlarge operating scale. While project diversity was achieved through balancing and enriching the market components, loss projects were managed at the same time. GFA under management increased to 431.1 million sq.m. that was 7.4% more comparing with last year (2023: 401.5 million sq.m.), with portion of GFA under management sourced from independent third parties of 39.4% (2023: 40.5%).

The following table sets forth a breakdown of the Group's GFA under management by source of projects as at year end:

	As at 31 Dec 2024		As at 31 Dec 2023	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
Source of projects:				
China State Construction and China Overseas Group	**261.3**	**60.6%**	**239.0**	**59.5%**
Independent third parties	**169.8**	**39.4%**	**162.5**	**40.5%**
Total	**431.1**	**100.0%**	**401.5**	**100.0%**

At the same time, we promoted vertical and horizontal exploration of customer resources by consolidating the existing resources and seeking new ones to achieve a more balanced component structure, which covers commercial complexes, office buildings, shopping malls, hotels, industrial parks, logistics parks, aviation, high-speed rail, hospitals, schools, government properties, city services, parks, ports, roads and bridges, bus terminus and other public facilities, moving forward to implement on our strategic positioning as an integrated service operator for urban space. At 31 December 2024, the GFA under management from non-residential projects was 28.7% (2023: 30.1%).

The following table sets forth a breakdown of the Group's GFA under management by project types as at year end:

	As at 31 Dec 2024		**As at 31 Dec 2023**	
	GFA under management		**GFA under management**	
	million sq.m.	**%**	**million sq.m.**	**%**
Project type:				
Residential projects	**307.5**	**71.3%**	**280.6**	**69.9%**
Non-residential projects	**123.6**	**28.7%**	**120.9**	**30.1%**
— *Commercial and office buildings*	***21.6***	***5.0%***	***21.0***	***5.2%***
— *Public and other properties*	***102.0***	***23.7%***	***99.9***	***24.9%***
Total	**431.1**	**100.0%**	**401.5**	**100.0%**

Revenue from property management services constituted 76.1% of total revenue for the year ended 31 December 2024 (2023: 72.1%), and increased by 13.3% from last year to RMB10,666.2 million (2023: RMB9,414.9 million), which was mainly arisen from the continuous increase in GFA under management.

During the year, approximately 97.8% and 2.2% of the segment revenue were generated from regular property management contracts under lump sum basis and commission basis respectively (2023: 97.5% and 2.5% respectively).

The following table sets out a breakdown of the Group's segment revenue from property management services for the year:

	For the year ended 31 December					
	2024		2023		Change	
	Segment revenue		Segment revenue			
	RMB'000	%	RMB'000	%	RMB'000	%
Property management services:						
— Lump sum basis	**10,427,259**	**97.8%**	**9,177,231**	**97.5%**	**1,250,028**	**13.6%**
— Commission basis	**238,973**	**2.2%**	**237,676**	**2.5%**	**1,297**	**0.5%**
Total	**10,666,232**	**100.0%**	**9,414,907**	**100.0%**	**1,251,325**	**13.3%**

As at 31 December 2024, the ratio of GFA under management from lump sum basis and commission basis was 82.8% to 17.2% (2023: 83.3% to 16.7%).

The following table sets forth a breakdown of the Group's GFA under management by contract bases as at year end:

	As at 31 Dec 2024		As at 31 Dec 2023	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
Contract bases:				
Property management contracts under lump sum basis	**357.1**	**82.8%**	**334.5**	**83.3%**
Property management contracts under commission basis	**74.0**	**17.2%**	**67.0**	**16.7%**
Total	**431.1**	**100.0%**	**401.5**	**100.0%**

In 2024, the segment gross profit margin from regular property management contracts under lump sum basis and commission basis was 14.0% and 100.0% respectively (2023: 12.7% and 100.0% respectively). Overall, the weighted average segment gross profit margin increased to 16.0% for the year (2023: 15.0%). Among that, the increase in gross profit margin under lump sum basis was mainly attributable to (i) stringent cost control measures on reduction of material cost and overhead expenses, as well as continuing subcontracting efforts to suppress the increase in labour costs; (ii) more proactive loss project management in order to improve operational efficiency.

Coupled with continuing increase in segment revenue, the gross profit of our property management services segment increased by 21.0% from last year to RMB1,703.2 million for the year ended 31 December 2024 (2023: RMB1,407.8 million).

The following table sets forth a breakdown of the Group's gross profit and gross profit margin of property management services for the year:

	For the year ended 31 December				**Change in gross profit**	
	2024		**2023**			
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**		
	RMB'000	**%**	**RMB'000**	**%**	**RMB'000**	**%**
Property management services:						
— Lump sum basis	**1,464,262**	**14.0%**	**1,170,078**	**12.7%**	**294,184**	**25.1%**
— Commission basis	**238,973**	**100.0%**	**237,676**	**100.0%**	**1,297**	**0.5%**
Total	**1,703,235**	**16.0%**	**1,407,754**	**15.0%**	**295,481**	**21.0%**

After deducting segment administrative expenses and net impairment of trade receivables, and payments on behalf of property owners for properties managed on a commission basis, as well as taking into account of other income, the segment profit of the property management services increased by 17.0% to RMB1,544.6 million for the year (2023: RMB1,320.2 million).

VALUE-ADDED SERVICES TO NON-RESIDENTS

Value-added services to non-residents sub-segment cover engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc. for property developers and other property management companies. For the year ended 31 December 2024, revenue from the non-residents sub-segment constituted 13.0% (2023: 16.5%) of total revenue, and decreased by 14.7% to RMB1,828.7 million (2023: RMB2,144.7 million). The decrease in segment revenue was mainly due to (i) the impact of adjustment and transformation in the real estate sector, which suppressed the business volumes on special and intelligent engineering services of new move-in projects, and reduced the demand on pre-delivery services (such as security, cleaning and repair and maintenance services for display units in pre-sales offices for developing properties) and inspection services from property developers; (ii) adaptation of the sales mix structure to strengthen the core business by reducing the sales of hardware products with lower gross profit margin, the above factors were alleviated by the expansion of repair and maintenance services from our existing projects during the year.

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to non-residents for the year:

	For the year ended 31 December			
	2024	2023	Change	
	Sub-segment revenue RMB'000	Sub-segment revenue RMB'000	RMB'000	%
Value-added services to non-residents:				
Engineering services	**1,029,729**	**1,192,127**	**(162,398)**	**(13.6)%**
Pre-delivery services	**596,010**	**697,688**	**(101,678)**	**(14.6)%**
Inspection services	**153,788**	**214,284**	**(60,496)**	**(28.2)%**
Consulting services	**49,207**	**40,559**	**8,648**	**21.3%**
Total	**1,828,734**	**2,144,658**	**(315,924)**	**(14.7)%**

In respect of the profitability, the gross profit margin of the value-added services to non-residents sub-segment remained at 13.1% (2023: 13.1%). Overall, the sub-segment gross profit decreased by 14.3% to RMB240.3 million (2023: RMB280.4 million) as a result of the decrease in business volume.

After having allowed for sub-segment overhead and impairment on trade receivables, the sub-segment profit from value-added services to non-residents, decreased by 19.7% to RMB146.5 million against last year (2023: RMB182.3 million).

VALUE-ADDED SERVICES TO RESIDENTS

In respect of value-added services to residents sub-segment, our services cover (i) community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance, one-stop shop asset management services to the property owners and rental of self-owned properties); (ii) home living service operations (to meet the various needs of residents of the properties, including housing ecology, home improvement, new retail, home services, tourism and leisure, education and training, health and elderly care, automotive services, platform services, etc.); and (iii) commercial service operations (to meet the needs of business users). Both of the customers' recognition of the Group's traditional property management services, and diversification of our product offerings and marketing channels through services offered with our online-to-offline platform facilitates meeting the various needs of residents of the properties, which promotes the life style quality and satisfaction of our customers.

For the year ended 31 December 2024, revenue from the value-added services to residents sub-segment constituted 9.9% (2023: 9.9%) of total revenue, and increased by 7.2% to RMB1,384.6 million (2023: RMB1,291.8 million), mainly due to (i) business growth from successful marketing campaigns on retailing consumption and community group purchasing, which was retrained by weak demands from home services under home living service operations and commercial service operations; (ii) in respect of the community asset management services, market penetration and expansion in agency business on real estate leasing through various cooperation models such as regional joint ventures and associates.

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to residents for the year:

	For the year ended 31 December		**Change**	
	2024	**2023**		
	Sub-segment revenue RMB'000	**Sub-segment revenue RMB'000**	**RMB'000**	**%**
Value-added services to residents:				
Community asset management services	**619,189**	**561,218**	**57,971**	**10.3%**
Home living service operations and commercial service operations	**765,417**	**730,592**	**34,825**	**4.8%**
Total	**1,384,606**	**1,291,810**	**92,796**	**7.2%**

The gross profit margin of value-added services to residents sub-segment slightly decreased to 25.5% (2023: 26.1%). Overall, driven by the increased revenue, the sub-segment gross profit increased by 4.5% to RMB352.5 million (2023: RMB337.3 million).

After having allowed for sub-segment overhead, the sub-segment profit from value-added services to residents increased by 8.4% to RMB328.9 million against last year (2023: RMB303.6 million).

CAR PARKING SPACE TRADING BUSINESS

Through acquiring unfettered rights and ability to control and coordinate the sales of the car parking spaces at the properties under the Group's management, the Group can create greater ease and value to the residents of such properties, and thereby enhance the Group's overall management of the amenities within such properties. This in turn also enable the Group to take advantage of its existing abundance of cash balance and increase the shareholders' value.

During the year ended 31 December 2024, due to lower amount of carparks, that is, 2,224 were sold (2023: 3,109), segment revenue from the car parking spaces trading business decreased to RMB144.2 million (2023: RMB199.9 million), which also resulted in a decrease in segment profit to RMB29.5 million (2023: RMB43.1 million).

LIQUIDITY, FINANCIAL RESOURCES AND DEBT STRUCTURE

The Group adopts prudent financial policies, with effective financial and cash management under centralised supervision, and maintains appropriate leverage with adequate cash balances. As at 31 December 2024, net working capital amounted to RMB4,476.4 million (At 31 December 2023: RMB3,565.6 million).

Bank balances and cash increased by 13.1% to RMB5,803.5 million from last year end (At 31 December 2023: RMB5,130.7 million), in which, 93.0% were denominated in Renminbi and 7.0% were denominated in Hong Kong Dollar/ Macau Pataca.

At 31 December 2024, the Group had short-term unsecured bank borrowings denominated in Renminbi amounted to RMB50.0 million (At 31 December 2023: RMB56.4 million). During the year, the borrowing costs were charged at floating rates with weighted average interest rate of 3.1% per annum.

CAPITAL EXPENDITURES

The capital expenditures, which mainly represent additions to leasehold improvement, motor vehicles, machinery and equipment, furniture, fixtures, office equipment, leasehold right-of-use assets (including capitalised lease commitments) and software systems, were RMB216.1 million for the year ended 31 December 2024.

MATERIAL ACQUISITIONS, DISPOSALS, SIGNIFICANT INVESTMENT AND FUTURE PLANS OF MATERIAL INVESTMENT

The Group had no material acquisitions, disposals, significant investments and future plans of material investment during the year ended 31 December 2024.

PRINCIPAL RISK MANAGEMENT STRATEGIES

1. OPERATIONAL EFFICIENCY

The Group's profit margins and results of operations may be materially affected by changes in its reasonable operating costs and the monitoring on implementation of group strategies. Automation and standardisation are key elements amongst its strategies to increase operational efficiency and improve service quality. The Group has implemented and will continue the implementation of automation measures in business processes and emphasis on standardisation in operations. For example, the Group has employed automation measures such as implementing a real-time quality control system, remote video surveillance system, smart guest access system and carpark management system to achieve operational efficiency and to enhance its overall competitiveness in the property management sector.

2. CUSTOMERS AND SUPPLIERS RELATIONSHIP MANAGEMENT

The Group's customers include owners and residents in mid- to high-end residential communities, commercial properties, government properties and industrial parks, and business enterprises like property developers and other property management companies.

Customers are one of the key stakeholders. In order to continuously foster and maintain customers' high satisfaction, the Group's quality control department mainly focused on, among others, (i) the solidification of the Group's strong brand recognition as a property management service provider for mid- to high-end properties; (ii) the establishment and maintenance of internal quality standards and community safety management systems; (iii) the central management of customer complaints and customer satisfaction surveys and analysis. In addition, the Group provided structured and comprehensive trainings to the frontline staff, so as to ensure that they delivered attentive customer services with adequate skills and knowledge.

The Group' suppliers primarily include suppliers of raw materials and sub-contractors who provide security, cleaning, repair and maintenance and garden landscape maintenance services to the properties managed.

In order to ensure cost effectiveness and standardisation quality customer services to promote customers' satisfaction, the Group's business strategies includes objectives to maintain close business relationships with quality vendors and sub-contractors so as to achieve consistency and reliability in service quality, while controlling costs through bulk purchases or economies of scale. The Group's competitiveness depends on ability to differentiate from its competitors through quality services and reliability.

3. MONITORING OF FOREIGN EXCHANGE EXPOSURE

As the Group recorded its revenue, receivables and payables and expenditures etc. in Renminbi for its main property management business in the PRC, the management considers that a natural hedge mechanism existed. The presentation currency for preparation of consolidated financial statements of the Group was Renminbi. However, fluctuations of exchange rates may still impact the net assets value and financial results presented in Renminbi due to currency translation on Hong Kong and Macau business upon consolidation. If Hong Kong Dollar appreciates/depreciates against Renminbi, it would record a(n) decrease/increase in the net assets value and financial results presented in Renminbi. At present, the Group has not entered into or traded any financial instruments, including derivative financial instruments, for hedging or speculative purpose. Hence, other than the effect of currency translation as mentioned above, the Group has neither experienced nor expected any material adverse effect on the business and operations due to the Renminbi exchange rate fluctuation.

The Group would closely monitor the volatility of exchange rate, and would consider appropriate currency hedging policy for mitigating apparent exchange rate risk and enter into such hedging arrangement, if and when appropriate.

COMPLIANCE WITH RELEVANT LAWS AND REGULATION

The Group has complied with the relevant laws and regulations in relation to our business in all material respects and there were no material breaches or violations of the laws or regulations applicable to the Group that would have a material adverse effect on business or financial condition taken as a whole.

SUBSTAINABILITY DEVELOPMENT POLICY AND PERFORMANCE

In the year of 2024, COPL has achieved the following results:

- In 2024, COPL officially released its carbon neutrality white paper, commencing a full suite of carbon-neutrality implementation initiatives. By systematically combing through its current business development status, COPL proposed the "dual-carbon" goals commitment and strategic road map to implement green and low-carbon transformation, and make outstanding contributions to the property industry for the country's "dual-carbon" development.

  COPL's Dual Carbon Target and Commitment:

  2030:

  Fully promote and implement low-carbon operational technologies to achieve a 15% reduction in carbon emission intensity per unit area for Scope 1 and Scope 2, compared to the baseline year.

  2060:

  Widely implement integrated renewable energy utilisation to achieve carbon neutrality within operational boundaries.

- COPL conducted special training on climate-related risks and opportunities for relevant departments. During the training, the climate-related physical risks, transition risks, and opportunities that COPL focuses on were discussed and confirmed, and the “Below 2℃ Scenario” and “Above 3°C Scenario” were selected for climate scenario analysis. At the same time, COPL combined the results of online stakeholder questionnaires on material topics and industry trend analysis to update its existing matrix of material topics, raising the level of importance of topics such as water resources and sewage management, emissions and waste management, green property management, operations and etc.

- The Group reviewed the ESG information of previous years, as well as domestic and international sustainability trends, in particular, new progress in ESG disclosure requirements from the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, as well as the Hong Kong Stock

Exchange. COPL assessed the validity and completeness of its internal sustainability-related information and incorporated corresponding requirements where appropriate; and

- Going forward, we will continue to strengthen the coordination and management of environmental protection measures applicable at each operating site. The management work includes planning targets, compliance, risks, pollution prevention and control, energy conservation and emission reduction, cleaner production, green innovation, education and training, statistics monitoring, emergency and information disclosure, and reporting.

For more information on our sustainability performance, please refer to the "Sustainability" page on the Company's website.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2024, the capital commitments of the Group were RMB8.9 million, which mainly related to capital investment in a joint venture and acquisition of software and system. In addition, the Group provided counter-indemnities to a fellow subsidiary and banks amounting to approximately RMB341.1 million, for guarantees issued in respect of certain property management service contracts for which we are required to provide performance bonds in the ordinary course of business.

Meanwhile, in order to substitute the Group's certain requirements upon participating in competitive tenders on projects under China Overseas Land & Investment Limited, China State Construction International Holdings Limited and China Overseas Grand Oceans Group Limited, the Company provided corporate guarantees to them up to an aggregate amount of RMB50.0 million, RMB30.0 million and RMB20.0 million respectively.

Except as disclosed above, the Group had no other material capital commitments and outstanding contingent liabilities as at 31 December 2024.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events occurred after the year ended 31 December 2024, which have material impact on the performance and the value of the Group.

EMPLOYEES

As At 31 December 2024, the Group had approximately 38,627 employees (At 31 December 2023: 43,012).

The pay levels of these employees are commensurate with their responsibilities, performance and the prevailing market conditions. The remuneration packages included basic salaries, discretionary bonus and provident fund contributions/ retirement pension scheme. Certain selected key personnel of the Group were also entitled to participate in a share incentive scheme of an intermediate holding company of the Group. The total staff costs incurred for the year ended 31 December 2024 was approximately RMB4,511.7 million (2023: RMB4,923.9 million), of which, RMB4,204.8 million (2023: RMB4,639.3 million) and RMB306.9 million (2023: RMB284.6 million) was recognised in direct operating expenses and selling and administrative expenses respectively.

As part of our comprehensive training programme, the Group has provided classroom and online training to our staff to enhance technical and service knowledge as well as knowledge of industry quality standards and workplace safety standards.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	**14,023,767**	13,051,250
Direct operating expenses		**(11,698,259)**	(10,981,430)
Gross profit		**2,325,508**	2,069,820
Other income and gains, net		**197,103**	169,698
Fair value loss of self-owned investment properties, net		**(6,705)**	(6,640)
Selling and administrative expenses		**(431,367)**	(386,916)
Impairment of financial assets and contract assets, net		**(72,189)**	(42,535)
Operating profit		**2,012,350**	1,803,427
Finance costs		**(8,527)**	(6,519)
Share of profit of a joint venture		**5,993**	6,281
Share of profit of an associate		**206**	188
Profit before tax	4, 6	**2,010,022**	1,803,377
Income tax expenses	7	**(488,514)**	(451,873)
Profit for the year		**1,521,508**	1,351,504
Attributable to:			
Ordinary equity holders of the Company		**1,510,918**	1,342,503
Non-controlling interests		**10,590**	9,001
		1,521,508	1,351,504
		RMB Cents	**RMB Cents**
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted	9	**46.00**	40.84

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	RMB'000	RMB'000
Profit for the year	**1,521,508**	1,351,504
Other comprehensive income/(loss)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of subsidiaries' financial statements	**8,433**	10,768
- Exchange differences on translation of an associate's financial statements	**7**	23
	8,440	10,791
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of the Company's financial statements	**(5,550)**	(1,504)
Other comprehensive income for the year, net of income tax	**2,890**	9,287
Total comprehensive income for the year	**1,524,398**	1,360,791
Attributable to:		
Ordinary equity holders of the Company	**1,513,808**	1,351,790
Non-controlling interests	**10,590**	9,001
	1,524,398	1,360,791

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**129,608**	112,812
Investment properties		**156,115**	174,420
Right-of-use assets		**84,683**	57,335
Intangible assets		**247,496**	184,516
Investment in a joint venture		**20,688**	14,695
Investment in an associate		**362**	149
Equity investment designated at fair value through profit or loss		**4,125**	-
Due from a related company	*13*	**75,026**	75,026
Prepayments		**16,849**	16,260
Deferred tax assets		**53,528**	44,745
Total non-current assets		**788,480**	679,958
Current assets			
Inventories	*10*	**652,797**	735,645
Trade receivables	*11*	**2,595,032**	2,450,309
Contract assets	*12*	**151,542**	31,147
Prepayments, deposits and other receivables		**1,157,023**	1,002,172
Due from the immediate holding company	*13*	**978**	1,941
Due from fellow subsidiaries	*13*	**742,642**	486,202
Due from other related companies	*13*	**104,192**	92,789
Restricted bank deposits		**9,310**	-
Cash and bank balances		**5,803,460**	5,130,660
Total current assets		**11,216,976**	9,930,865
Current liabilities			
Trade payables	*14*	**2,424,928**	1,993,794
Other payables and accruals		**738,391**	959,071
Temporary receipts from properties managed		**1,191,851**	1,282,986
Receipts in advance and other deposits		**1,923,477**	1,700,060
Due to the immediate holding company	*15*	**1,149**	-
Due to fellow subsidiaries	*15*	**30,326**	17,807
Due to other related companies	*15*	**22,300**	31,360
Income tax payables		**304,592**	281,723
Bank borrowings	*16*	**50,000**	56,359
Lease liabilities		**53,598**	42,081
Total current liabilities		**6,740,612**	6,365,241
Net current assets		**4,476,364**	3,565,624
Total assets less current liabilities		**5,264,844**	4,245,582

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Lease liabilities		**68,557**	55,192
Deferred tax liabilities		**22,279**	13,373
Total non-current liabilities		**90,836**	68,565
Net assets		**5,174,008**	4,177,017
Equity			
Equity attributable to ordinary equity holders of the Company			
Issued capital	*17*	**2,677**	2,679
Reserves		**5,107,805**	4,118,686
		5,110,482	4,121,365
Non-controlling interests		**63,526**	55,652
Total equity		**5,174,008**	4,177,017

1. GENERAL INFORMATION

China Overseas Property Holdings Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Suite 703, 7/F., Three Pacific Place, 1 Queen's Road East, Hong Kong.

The immediate holding company of the Company is China Overseas Holdings Limited ("COHL"), a company incorporated in Hong Kong, and its ultimate holding company is China State Construction Engineering Corporation (中國建築集團有限公司) ("CSCEC"), which is a state-owned enterprise established in the People's Republic of China (the "PRC") and under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of property management services; value-added services to non-residents and residents; and the trading of car parking spaces.

The financial statements which have been prepared for the year ended 31 December 2024 were approved for issue by the Board on 27 March 2025.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention, except for investment properties and equity investment designated at fair value through profit or loss which have been measured at fair value. The functional currency of the Company is Hong Kong dollar ("HK$") and the functional currencies of other group entities are mainly Renminbi ("RMB"). These financial statements are presented in RMB, and all values are rounded to the nearest thousand except when otherwise indicated.

Save as described in note 3 "Changes in accounting policies and disclosures", the accounting policies used in preparing the consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 December 2023.

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Adjustments are made to bring in to line any dissimilar accounting policies that may exist. Other than those subsidiaries acquired under business combinations under common control which are consolidated from the date when combining entities first come under the control of the controlling shareholder of the Company or from the earliest date presented in these financial statements, whichever is the latter, the results of other subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the ordinary equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs issued by the HKICPA for the first time for the current year's financial statements:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangement*

The adoption of the above revised HKFRSs in the current year did not have any significant impact on the financial position and performance of the Group.

The Group has not applied the following applicable new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

The Group has already commenced a preliminary assessment of the impact of these new and revised HKFRSs, certain of which may be relevant to the Group's operations and may give rise to changes in disclosures and remeasurement of certain items in the financial statements. Preliminary assessment of these standards based on current available information does not indicate any significant impacts to the results and financial position of the Group as when these standards become effective.

4. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business segments based on their products and services and has three reportable operating segments consistent with the classification in prior years, in which value-added services segment was further divided into two sub-segments, namely value-added services to non-residents and value-added services to residents, for presentation purpose, which in the opinion of the directors of the Company, would provide a more comprehensive disclosure for financial statement users. The reportable operating segments are described as follows:

(a) the property management services segment engages in the provision of property management services such as security, repairs and maintenance, cleaning and garden landscape maintenance for residential communities (including mixed-use properties), commercial properties, government properties and construction sites.

(b) the value-added services segment included:

(i) the value-added services to non-residents sub-segment engages in provision of engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery (such as security, cleaning and repair and maintenance services for display units in pre-sale offices for developing properties), move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc to non-residents (such as property developers and other property management companies).

(ii) the value-added services to residents sub-segment engages in the provision of community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance and rental of self-owned properties), home living service operations (to meet the various needs of residents of the properties) and commercial service operations (to meet the needs of business users).

(c) the car parking space trading business segment engages in the trading of various types of car parking spaces.

Basis of segment information

The chief operating decision maker of the Group ("CODM", identified as the executive directors of the Company and certain of the senior management) monitors the results of the Group's operating segments separately for the purpose of making decisions about measurements including resource allocation and performance assessment. Segment performance is evaluated based on various considerations, including but not limited to reportable segment profit, which is measured consistently with the Group's profit before tax except that corporate expenses including professional fees and staff costs are excluded from such measurement.

Inter-segment revenue and transfers are transacted with reference to the charging prices used for revenue from third parties at the then prevailing market prices.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

Year ended 31 December 2024

		Value-added services				
	Property management services RMB'000	***Non-residents RMB'000***	***Residents RMB'000***	**Sub-total RMB'000**	**Car parking space trading business RMB'000**	**Total RMB'000**
Reportable segment revenue						
Revenue from external customers (note 5)	**10,666,232**	***1,828,734***	***1,384,606***	**3,213,340**	**144,195**	**14,023,767**
Inter-segment revenue	**174,336**	***760,874***	***129,705***	**890,579**	**-**	**1,064,915**
	10,840,568	***2,589,608***	***1,514,311***	**4,103,919**	**144,195**	**15,088,682**
Reconciliation:						
Elimination of inter-segment revenue						**(1,064,915)**
Reported total revenue						**14,023,767**
Reportable segment results	**1,544,601**	***146,455***	***328,949***	**475,404**	**29,452**	**2,049,457**
Reconciliation:						
Corporate expenses, net						**(39,435)**
Profit before tax						**2,010,022**

		Value-added services					
	Property management services RMB'000	***Non-residents RMB'000***	***Residents RMB'000***	**Sub-total RMB'000**	**Car parking space trading business RMB'000**	**Corporate and other unallocated RMB'000**	**Total RMB'000**
Other segment information							
Interest income	**91,244**	***442***	***881***	**1,323**	**-**	**13,840**	**106,407**
Loss on disposal of items of property, plant and equipment	**295**	***-***	***-***	**-**	**-**	**-**	**295**
Loss on early termination of lease contracts, net	**-**	***-***	***734***	**734**	**-**	**-**	**734**
Impairment of financial assets and contract assets, net	**63,212**	***8,875***	***102***	**8,977**	**-**	**-**	**72,189**
Depreciation and amortisation	**77,192**	***16,997***	***6,178***	**23,175**	**-**	**2,674**	**103,041**
Fair value loss of self-owned investment properties, net	**-**	***-***	***6,705***	**6,705**	**-**	**-**	**6,705**
Fair value loss of leased investment properties, net	**-**	***-***	***11,600***	**11,600**	**-**	**-**	**11,600**
Share of profit of a joint venture	**5,993**	***-***	***-***	**-**	**-**	**-**	**5,993**
Share of profit of an associate	**206**	***-***	***-***	**-**	**-**	**-**	**206**

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Year ended 31 December 2023

	Property management services RMB'000	Value-added services *Non-residents* *RMB'000*	Value-added services *Residents* *RMB'000*	Value-added services Sub-total RMB'000	Car parking space trading business RMB'000	Total RMB'000
Reportable segment revenue						
Revenue from external customers (note 5)	9,414,907	*2,144,658*	*1,291,810*	3,436,468	199,875	13,051,250
Inter-segment revenue	143,550	*751,415*	*199,352*	950,767	-	1,094,317
	9,558,457	*2,896,073*	*1,491,162*	4,387,235	199,875	14,145,567
Reconciliation:						
Elimination of inter-segment revenue						(1,094,317)
Reported total revenue						13,051,250
Reportable segment results	1,320,173	*182,296*	*303,569*	485,865	43,086	1,849,124
Reconciliation:						
Corporate expenses, net						(45,747)
Profit before tax						1,803,377

	Property management services RMB'000	Value-added services *Non-residents* *RMB'000*	Value-added services *Residents* *RMB'000*	Value-added services Sub-total RMB'000	Car parking space trading business RMB'000	Corporate and other unallocated RMB'000	Total RMB'000
Other segment information							
Interest income	78,376	*416*	*317*	733	-	2,665	81,774
Loss on disposal of items of property, plant and equipment	559	-	-	-	-	-	559
(Gain)/loss on early termination of lease contracts, net	(255)	*5*	*1,743*	1,748	-	-	1,493
Impairment of financial assets and contract assets, net	42,535	-	-	-	-	-	42,535
Depreciation and amortisation	70,951	*6,389*	*2,541*	8,930	-	2,859	82,740
Fair value loss of self-owned investment properties, net	-	-	*6,640*	6,640	-	-	6,640
Fair value loss of leased investment properties, net	-	-	*3,000*	3,000	-	-	3,000
Share of profit of a joint venture	6,281	-	-	-	-	-	6,281
Share of profit of an associate	188	-	-	-	-	-	188

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	RMB'000
Mainland China:		
Hua South Region	**3,611,294**	3,602,021
Hua East Region	**2,232,464**	1,901,256
Hua North Region	**2,542,338**	2,177,244
Hua Central Region	**696,837**	660,503
Northeast Region	**1,019,074**	866,752
Northwest Region	**705,196**	619,788
Southwest Region	**1,459,337**	1,400,400
	12,266,540	11,227,964
Hong Kong and Macau	**1,757,227**	1,823,286
Total	**14,023,767**	13,051,250

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024	2023
	RMB'000	RMB'000
Mainland China:		
Hua South Region	**377,444**	308,558
Hua East Region	**68,621**	67,261
Hua North Region	**64,498**	45,137
Hua Central Region	**13,472**	11,386
Northeast Region	**10,582**	6,470
Northwest Region	**8,964**	9,396
Southwest Region	**55,394**	64,501
	598,975	512,709
Hong Kong and Macau	**35,776**	32,634
Total	**634,751**	545,343

The non-current assets information above is based on the locations of the assets and excludes investments in a joint venture in Mainland China and an associate in Hong Kong, equity investment designed at fair value through profit or loss, balance due from a related company and deferred tax assets.

5. REVENUE

Disaggregated revenue information

Type of goods or services

Revenue from contracts with customers disaggregated by type of goods or services (i.e., provision of property management services, provision of value-added services to non-residents and residents and trading of car parking spaces) are recognised in respective reportable operating segments (i.e.,property management services, value-added services to non-residents and residents and car parking space trading business), and the details of the revenue from these reportable operating segments are set out in note 4 "Operating segment information".

Timing of revenue recognition

Year ended 31 December 2024

		Value-added services				
Segments	**Property management services RMB'000**	***Non-residents RMB'000***	***Residents RMB'000***	**Sub-total RMB'000**	**Car parking space trading business RMB'000**	**Total RMB'000**
Goods or services transferred at a point in time	**-**	***-***	***1,008,854***	**1,008,854**	**140,044**	**1,148,898**
Services transferred over time	**10,666,232**	***1,828,734***	***359,132***	**2,187,866**	**-**	**12,854,098**
Total revenue from contracts with customers	**10,666,232**	***1,828,734***	***1,367,986***	**3,196,720**	**140,044**	**14,002,996**
Revenue from another source - rental income	**-**	***-***	***16,620***	**16,620**	**4,151**	**20,771**
Total revenue from external customers	**10,666,232**	***1,828,734***	***1,384,606***	**3,213,340**	**144,195**	**14,023,767**

Year ended 31 December 2023

		Value-added services				
Segments	Property management services RMB'000	*Non-residents RMB'000*	*Residents RMB'000*	Sub-total RMB'000	Car parking space trading business RMB'000	Total RMB'000
Goods or services transferred at a point in time	-	*-*	*913,869*	913,869	192,670	1,106,539
Services transferred over time	9,414,907	*2,144,658*	*363,226*	2,507,884	-	11,922,791
Total revenue from contracts with customers	9,414,907	*2,144,658*	*1,277,095*	3,421,753	192,670	13,029,330
Revenue from another source - rental income	-	*-*	*14,715*	14,715	7,205	21,920
Total revenue from external customers	9,414,907	*2,144,658*	*1,291,810*	3,436,468	199,875	13,051,250

Geographical market

All revenue were generated in the PRC (including Mainland China, Hong Kong and Macau).

6. PROFIT BEFORE TAX

	2024 RMB'000	2023 RMB'000
The Group's profit before tax is arrived at after charging:		
Employee benefit expenses including directors' and chief executive's remuneration and share-based payments (note)	**4,511,706**	4,923,934
Sub-contracting costs	**5,377,158**	3,879,166

Note: During the year ended 31 December 2024, there was a reversal on share-based payment to certain directors, senior management and other employees upon non-achievement of certain performance conditions or individual's key performance indicators, which amounted to RMB2,392,000 (2023: provision of share-based payment of RMB610,000) and which was recognised in profit or loss, with a corresponding debit/credit to equity.

7. INCOME TAX EXPENSES

An analysis of the Group's income tax expenses is as follows:

	2024 RMB'000	2023 RMB'000
Current:		
Hong Kong	**2,734**	10,338
Macau	**459**	276
Mainland China	**473,494**	416,981
The PRC withholding income tax	**11,651**	29,395
	488,338	456,990
Deferred:		
The PRC withholding income tax on the unremitted earnings	**20,000**	-
Other deferred tax	**(19,824)**	(5,117)
	176	(5,117)
Total	**488,514**	451,873

Notes:

(a) A summary of applicable income tax rates of the jurisdictions in which the Group has operations during the year is as follows:

	2024 %	2023 %
Mainland China*	**25**	25
Hong Kong	**16.5**	16.5
Macau	**12**	12

* In accordance with the relevant tax laws and regulations of the PRC, certain subsidiaries of the Group established in Mainland China enjoy preferential corporate income tax rates.

(b) The PRC withholding tax is imposed on dividends distributed or expected to be distributed from a PRC subsidiary to the Company at the concession tax rate of 5% (2023: 5%).

8. DIVIDENDS

The dividends paid in 2024 and 2023 were approximately RMB510,569,000 and RMB407,854,000, respectively. A final dividend of HK9.5 cents per share, amounting to a total dividend of approximately RMB291,542,000, in respect of the year ended 31 December 2024 is proposed which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting on 18 June 2025. These financial statements do not reflect this dividend payable.

	Dividends declared/ proposed	**Dividends paid and recorded in the financial statements**	
		2024	2023
	RMB'000	**RMB'000**	RMB'000
2022:			
Interim dividend of HK4.0 cents per ordinary share	114,967		
Final dividend of HK8.0 cents per ordinary share	240,427		240,427
	355,394		
2023:			
Interim dividend of HK5.5 cents per ordinary share	167,427		167,427
Final dividend of HK8.5 cents per ordinary share	256,680	**256,680**	
	424,107		
2024:			
Interim dividend of HK8.5 cents per ordinary share	253,889	**253,889**	
Final dividend of HK9.5 cents per ordinary share	291,542		
Total	545,431	**510,569**	407,854

9. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of RMB1,510,918,000 (2023: RMB1,342,503,000), and the weighted average number of ordinary shares of approximately 3,284,662,000 (2023: 3,286,860,000) in issue during the year.

No adjustment has been made to the basic earnings per share amount presented for each of the years ended 31 December 2024 and 2023 for a dilution as the Group had no dilutive potential ordinary shares in issue during these years.

10. INVENTORIES

	2024	2023
	RMB'000	RMB'000
Car parking spaces	**650,431**	731,821
Others	**2,366**	3,824
	652,797	735,645

The car parking spaces are all located in Mainland China and are held for trading.

11. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	**2,827,771**	2,620,531
Less: Impairment	**(232,739)**	(170,222)
	2,595,032	2,450,309

Trade receivables are non-interest bearing and arise from the provision of property management services from properties managed under lump sum basis, value-added services and car parking space trading business. Property management service income from properties managed under lump sum basis are received in accordance with the terms of the relevant property management service agreements and they are generally due for payment within 90 days from the issuance of demand notes by the Group. Value-added service income is received in accordance with the terms of the relevant contract agreements, generally within 90 days from the issuance of billings. Car parking space trading income is received in accordance with the terms of the sales and purchases agreement.

The Group's credit terms of its trade receivables are negotiated with and entered into under normal commercial terms with customers of the properties managed under lump sum basis, value-added services and car parking space trading business. The Group does not hold any collateral or other credit enhancements over these balances.

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

	2024 RMB'000	2023 RMB'000
Within 1 month	**802,519**	922,937
1 to 3 months	**576,184**	489,820
3 to 12 months	**764,247**	721,614
1 to 2 years	**419,030**	271,767
Over 2 years	**265,791**	214,393
	2,827,771	2,620,531

12. CONTRACT ASSETS

	Notes	**31 December 2024 RMB'000**	31 December 2023 RMB'000	1 January 2023 RMB'000
Unbilled revenue	(i)	**134,152**	15,320	-
Retention receivables	(ii)	**17,751**	15,827	16,068
Total		**151,903**	31,147	16,068
Less: Impairment		**(361)**	-	-
		151,542	31,147	16,068

Notes:

(i) A contract asset, net of the contract liability related to the same contract, is recognised over the period in which the provision of valued-added services is performed, representing the Group's right to consideration for the services performed and not billed because the rights are conditional on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when the billing is issued. The increase in contract assets in 2024 and 2023 was the result of the increase in the ongoing provision of value-added services at the end of each of the years.

(ii) Retention receivables related to revenue earned from the provision of engineering services for which the right to the receipt of consideration for work performed remains conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the service contracts. The retention receivables are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the defect liability period.

13. BALANCES DUE FROM RELATED PARTIES

	2024 RMB'000	2023 RMB'000
Balance due from the immediate holding company		
Trade nature	**978**	1,941
Balances due from fellow subsidiaries		
Trade nature	**707,466**	458,139
Contract assets	**26,899**	-
Prepayments	**8,277**	28,063
	742,642	486,202
Balances due from other related companies (including joint ventures and associates of fellow subsidiaries)		
Portion classified as current assets:		
Trade nature	**90,187**	90,682
Contract assets	**13,407**	-
Prepayments	**598**	2,107
	104,192	92,789
Portion classified as non-current assets:		
Non-trade nature	**75,026**	75,026
Total balances due from related parties	**922,838**	655,958

The ageing analysis of trade nature balances due from related parties as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Balance due from the immediate holding company		
Within 1 month	**850**	797
1 to 3 months	**120**	116
Over 3 months	**8**	1,028
	978	1,941
Balances due from fellow subsidiaries		
Within 1 month	**302,368**	131,573
1 to 3 months	**86,554**	98,086
3 to 12 months	**170,412**	138,955
1 to 2 years	**106,505**	65,185
Over 2 years	**41,627**	24,340
	707,466	458,139
Balances due from other related companies		
Within 1 month	**34,821**	37,544
1 to 3 months	**7,889**	13,550
3 to 12 months	**25,959**	19,938
1 to 2 years	**13,458**	14,416
Over 2 years	**8,060**	5,234
	90,187	90,682

14. TRADE PAYABLES

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

	2024	2023
	RMB'000	RMB'000
Within 1 month	**734,106**	851,047
1 to 3 months	**646,355**	525,320
3 to 12 months	**856,934**	475,081
1 to 2 years	**125,153**	112,567
Over 2 years	**62,380**	29,779
	2,424,928	1,993,794

15. BALANCES DUE TO RELATED PARTIES

The breakdown of amounts due to the related parties and the ageing analysis of trade nature balances due to the related parties as at the end of the reporting period, based on the invoice date, are as follows:

	2024	2023
	RMB'000	RMB'000
Balance due to the immediate holding company – trade nature		
Within 1 month	**1,149**	-
Balances due to fellow subsidiaries – trade nature		
Within 1 month	**4,427**	6,669
1 to 3 months	**2,838**	1,414
3 to 12 months	**13,535**	2,322
1 to 2 years	**2,392**	715
Over 2 years	**6,305**	1,189
	29,497	12,309
– receipts in advance	**829**	5,498
	30,326	17,807
Balances due to other related companies (including joint ventures and associates of fellow subsidiaries) – trade nature		
Within 1 month	**477**	4,267
1 to 3 months	**1,404**	2,415
3 to 12 months	**2,117**	12,908
1 to 2 years	**6,154**	770
Over 2 years	**4,778**	56
	14,930	20,416
– receipts in advance	**7,370**	10,944
	22,300	31,360
Total balances due to related parties	**53,775**	49,167

16. BANK BORROWINGS

	2024	2023
	RMB'000	RMB'000
At 1 January	**56,359**	60,000
Drawdown of bank borrowings	**53,179**	56,359
Repayment of bank borrowings	**(59,538)**	(60,000)
At 31 December	**50,000**	56,359

At 31 December 2024, the Group had unsecured short-term bank borrowings denominated in RMB of RMB50,000,000 (At 31 December 2023: RMB56,359,000), which bear floating interest rates at the PRC Loan Prime Rate minus specific rates. The weighted average effective interest rate was 3.1% (2023: 3.2%) per annum during the year ended 31 December 2024.

17. ISSUED CAPITAL

Issued and fully paid:

	Number of ordinary shares of HK$0.001 each	**RMB'000**
At 1 January 2023, 31 December 2023 and 1 January 2024	**3,286,860,460**	**2,679**
Shares repurchased and cancelled (Note)	**(2,900,000)**	**(2)**
At 31 December 2024	**3,283,960,460**	**2,677**

Note: During the year ended 31 December 2024, the Company repurchased and cancelled a total of 2,900,000 of its shares listed on the Stock Exchange for an aggregate consideration of HK$12,362,100 (equivalent to approximately RMB11,482,000), which was paid out of the Company's retained profits in accordance with Cayman Companies Act.

18. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and re-presented to conform to the current year's presentation.

PROPOSED FINAL DIVIDEND

After taking into account the dividend policy of the Group, capital market expectations, business results for the year and future business development needs, the Board has recommended the declaration of a final dividend of HK9.5 cents per share for the year ended 31 December 2024 (for the year ended 31 December 2023: a final dividend of HK8.5 cents per share), subject to the approval of shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting to be held on Wednesday, 18 June 2025 (the "2025 AGM"). The proposed final dividend will be paid to the Shareholders on Tuesday, 15 July 2025 whose names appear on the Company's register of members (the "Register of Members") on Thursday, 26 June 2025.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Wednesday, 18 June 2025 at 11:00 a.m. The notice of the 2025 AGM, which constitutes part of a circular to the Shareholders, will be published together with the 2024 annual report in due course.

CLOSURE OF REGISTERS OF MEMBERS

For the purposes of determining the eligibility of the Shareholders to attend and vote at the 2025 AGM, and the eligible Shareholders' entitlement to the proposed final dividend, the Register of Members will be closed as appropriate as set out below:

(i) For determining the Shareholders' eligibility to attend and vote at the 2025 AGM:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Wednesday, 11 June 2025
Closure of the Register of Members	Thursday, 12 June 2025 to Wednesday, 18 June 2025 (both days inclusive)
Record Date	Wednesday, 18 June 2025

(ii) Subject to the passing of the final dividend proposal agenda at the 2025 AGM, for determining the eligible Shareholders' entitlement to the proposed final dividend:

Ex-dividend date	Friday, 20 June 2025
Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Monday, 23 June 2025
Closure of the Register of Members	Tuesday, 24 June 2025 to Thursday, 26 June 2025 (both days inclusive)
Record Date	Thursday, 26 June 2025

For purposes mentioned above, all properly completed transfer form(s) accompanied by the relevant share certificate(s) must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company (the "Audit Committee") assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process, and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all independent non-executive Directors, namely Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent. Mr. Yung, Wing Ki Samuel is the chairman of the Audit Committee.

The Audit Committee has discussed and reviewed with the management the annual results and consolidated accounts of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group′s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company′s auditor, Ernst & Young, to the amounts set out in the Group′s draft consolidated financial statements for the year. The work performed by Ernst & Young 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 Ernst & Young on the preliminary announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasise transparency, accountability and independence.

During the year ended 31 December 2024, the Company has adopted and complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing rules as its own code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the year ended 31 December 2024.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

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

During the year ended 31 December 2024, the Company bought back a total of 2,900,000 shares of the Company (the "Share(s)") on the Stock Exchange for an aggregate consideration of HK$12,362,100 (before expenses). All the Shares bought back were cancelled on 29 May 2024.

Particulars of the Share buy-backs are as follows:

Buy-back date	Number of Shares bought back	Purchase price per Share		Aggregate consideration (before expenses)
		Highest	Lowest	
		(HK$)	*(HK$)*	*(HK$)*
27 March 2024	500,000	4.47	4.15	2,148,500
28 March 2024	1,800,000	4.36	4.18	7,708,600
5 April 2024	600,000	4.20	4.12	2,505,000
Total	2,900,000			12,362,100

Save as disclosed above, neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 31 December 2024.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the Company's website (http://www.copl.com.hk) and the Stock Exchange's designated website (https://www.hkexnews.hk). The Company's annual report for the year ended 31 December 2024 will be available on the same websites and will be dispatched to the Shareholders (upon requested) in due course.

APPRECIATION

I would like to express my heartfelt gratitude to the Board and all employees for their efforts and to our business partners and shareholders for their long-term support.

By order of the Board
China Overseas Property Holdings Limited
Zhang Guiqing
Chairman and Executive Director

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises nine Directors, of which four are Executive Directors, namely Mr. Zhang Guiqing (Chairman), Mr. Xiao Junqiang (Chief Executive Officer), Mr. Pang Jinying (Vice President) and Mr. Kam Yuk Fai (Chief Financial Officer); two are Non-executive Directors, namely Mr. Guo Lei and Ms. Ng, Yat Wing Athena; and three are Independent Non-executive Directors, namely Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent.