

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



雅居物業管理
Modern Living Property Management

Modern Living Investments Holdings Limited

雅居投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08426)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (collectively the “**Directors**” and each the “**Director**”) of Modern Living Investments Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2024, the Group's revenue amounted to approximately HK\$379.11 million (2023: approximately HK\$334.24 million), representing an increase of approximately 13.42% as compared with last year.
- For the year ended 31 December 2024, the Group's operating profit amounted to approximately HK\$15.15 million (2023: approximately HK\$15.07 million), representing an increase of approximately 0.53% as compared with last year.
- For the year ended 31 December 2024, the Group's profit for the year amounted to approximately HK\$16.97 million (2023: approximately HK\$17.77 million), representing a decrease of approximately 4.50% as compared with last year.
- The board of Directors (the "**Board**") recommended the payment of a final dividend of HK1.40 cents per ordinary share, totalling HK\$11.20 million for the year ended 31 December 2024 (2023: HK\$5.00 million).

ANNUAL RESULTS

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2024, together with the audited comparative figures for the year ended 31 December 2023. The financial information has been approved by the Board on 20 March 2025.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	379,106	334,240
Other income	5	1,823	3,845
Other losses, net	6	(531)	(968)
Employee benefits expenses	7	(343,489)	(301,075)
Cleaning material costs	7	(2,452)	(2,774)
Utilities expenses	7	(1,110)	(1,231)
Depreciation of plant and equipment	7	(604)	(630)
Depreciation of right-of-use assets	7	(881)	(923)
Other operating expenses	7	(16,716)	(14,751)
Share of result of investments accounted for using the equity method		<u>—</u>	<u>(662)</u>
Operating profit		<u>15,146</u>	<u>15,071</u>
Finance income		5,205	5,038
Finance costs		(100)	(293)
Finance income, net	8	<u>5,105</u>	<u>4,745</u>
Profit before income tax		20,251	19,816
Income tax expense	9	(3,286)	(2,042)
Profit for the year		<u>16,965</u>	<u>17,774</u>
Earnings per share			
Basic and diluted (HK cents per share)	11	<u>2.12</u>	<u>2.22</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	HK\$'000	HK\$'000
Profit for the year	16,965	17,774
Other comprehensive (loss)/income:		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of employee benefits obligations	<u>(2,942)</u>	<u>111</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(2,942)</u>	<u>111</u>
Total comprehensive income for the year	<u>14,023</u>	<u>17,885</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Plant and equipment		784	1,162
Right-of-use assets		1,296	2,177
Investment in an insurance contract		2,664	2,600
Retention money receivables, deposits and other receivables	<i>12</i>	3,209	2,837
		7,953	8,776
Current assets			
Trade receivables	<i>12</i>	62,799	75,087
Contract assets	<i>12</i>	8,898	8,650
Prepayments, deposits and other receivables	<i>12</i>	6,342	5,502
Pledged bank deposits		39,519	39,550
Short term bank deposits		70,758	60,408
Cash and cash equivalents		23,840	11,556
		212,156	200,753
Total assets		220,109	209,529

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
EQUITY			
Equity attributable to the owners of the Company			
Share capital		8,000	8,000
Reserves		145,999	148,176
Total equity		153,999	156,176
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		135	216
Lease liabilities		498	1,387
Other payables and accrued liabilities	<i>13</i>	699	–
		1,332	1,603
Current liabilities			
Trade payables	<i>13</i>	–	103
Other payables and accrued liabilities	<i>13</i>	62,354	50,571
Lease liabilities		889	885
Tax liabilities		1,535	191
		64,778	51,750
Total liabilities		66,110	53,353
Total equity and liabilities		220,109	209,529

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and registered as an exempted company with limited liability on 26 June 2017. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company's principal place of business is Units 1102–1103, 11th Floor, Delta House, No. 3 On Yiu Street, Sha Tin, New Territories, Hong Kong.

During the year ended 31 December 2024, the controlling shareholder of the Company changed to Chun Wo Overseas Holdings Limited, a company incorporated in the Cayman Islands which is a wholly-owned subsidiary of Asia Allied Infrastructure Holdings Limited (“**Asia Allied Infrastructure**”), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange (stock code: 00711) and in the opinion of the directors, the ultimate holdings company of the Company is GT Winners Limited, which is incorporated in the British Virgin Islands with limited liability.

The Company is an investment holding company and its subsidiaries are engaged in the provision of property management services with a primary focus on public housing in Hong Kong.

These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

The Company has listed its shares on the GEM of the Stock Exchange on 10 November 2017 (the “**Listing**”).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except that investment in an insurance contract which is stated at its cash surrender value.

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

(i) *Amended standards and interpretations adopted by the Group*

The Group has applied the following amended standards and interpretations for the first time for their annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Noncurrent (the “2020 Amendments”)
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “2022 Amendments”)
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The nature and the impact of the amended standards and interpretations that are applicable to the Group and described in note 2.2.

(ii) The following new standard, amendments and interpretations to existing standards and annual improvements have been issued, but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume II ²
HKFRS 18 HKFRS 19	Presentation and Disclosure in Financial Statements ³ Subsidiaries without Public Accountability: Disclosures ³
Amendments to HK Int 5 (Revised)	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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 periods beginning on or after 1 January 2027

4 Effective for annual periods beginning on or after a date to be determined

None of the above new and amended standards, and interpretations is expected to have a significant effect on the consolidated financial statements of the Group.

2.2 The nature and the impact of the amended standards and interpretations effective in 2024 and adopted by the Group

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. SEGMENT INFORMATION

The executive directors and certain senior management have been identified as the chief operating decision-makers (“CODM”) of the Group who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of profit after income tax. The CODM considers all business is included in a single operating segment.

Segment results, segment assets and segment liabilities

The Group is engaged in the provision of property management services in Hong Kong. Since the operation of provision of property management services attributes to all of the Group’s revenue, and a majority of results and assets during the years ended 31 December 2024 and 2023, no business segment analysis is presented accordingly.

Geographical information

The Group’s revenue is derived from customers in Hong Kong. All other assets of the Group were also located in Hong Kong as at 31 December 2024 and 2023. Accordingly, no analysis by geographical segment is provided.

Information about major customer

Details of the customer individually representing 10% or more of the Group’s revenue are as follows:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Customer A	<u>375,447</u>	<u>334,240</u>

No other single customers contributed 10% or more to the Group’s revenue for the years ended 31 December 2024 and 2023.

4. REVENUE

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Property management services income	<u>379,106</u>	<u>334,240</u>

All of the Group’s revenues are recognised over time.

5. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Consultancy services income from Urban Renewal Authority	1,442	–
Job Creation Scheme subsidies granted from Civil Service Bureau of the Government of the Hong Kong Special Administrative Region and the Hong Kong Association of Property Management Companies Limited	365	3,791
Sundry income	16	54
	<u>1,823</u>	<u>3,845</u>

6. OTHER LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gain on investment in an insurance contract	(64)	(86)
Foreign exchange loss/(gain), net	595	(223)
Loss on acquisition of a subsidiary	–	1,277
	<u>531</u>	<u>968</u>

7. EXPENSES BY NATURE

Profit before income tax is stated after charging the following items:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	880	1,300
Depreciation of plant and equipment	604	630
Depreciation of right-of-use assets	881	923
Employee benefits expenses	343,489	301,075
Other expenses	19,398	17,456
	<u>365,252</u>	<u>321,384</u>

8. FINANCE INCOME, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	5,205	5,038
Interests on borrowings	–	(175)
Interests on lease liabilities	(100)	(118)
	(100)	(293)
	<u>5,105</u>	<u>4,745</u>

9. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profits for the year (2023: 16.5%, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered tax rate regime).

The amount of income tax expense charged to the consolidated income statement represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong profits tax:		
Current income tax	2,992	2,156
Under/(over) provision in prior year	375	(51)
	3,367	2,105
Deferred income tax	(81)	(63)
	<u>3,286</u>	<u>2,042</u>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before income tax	20,251	19,816
Calculated at applicable tax rate	3,341	3,425
Income not subject to taxation	(927)	(1,548)
Expenses not deductible for taxation purposes	497	216
Under/(over) provision in prior year	375	(51)
	<u>3,286</u>	<u>2,042</u>

10. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend of HK1.40 cents per ordinary share (2023: HK0.75 cent per ordinary share) (<i>Note a</i>)	11,200	6,000
Proposed final dividend of HK1.40 cents per ordinary share (2023: HK0.625 cent per ordinary share) (<i>Note b</i>)	<u>11,200</u>	<u>5,000</u>

Notes:

- (a) An interim dividend in respect of the six months ended 30 June 2024 of HK1.40 cents per ordinary share (2023: HK0.75 cent per ordinary share) was paid in cash on 30 September 2024 to shareholders whose names appeared on the Register of Members of the Company on 10 September 2024.
- (b) A final dividend for the year ended 31 December 2024 of HK1.40 cents per ordinary share, totaling approximately HK\$11,200,000 has been recommended by the Board for approval at the forthcoming annual general meeting of the Company. The proposed final dividend has not been dealt with as dividend payable as at 31 December 2024.

The final dividend for the year ended 31 December 2023 of HK0.625 cent per ordinary share, totaling approximately HK\$5,000,000 was accounted for as an appropriation of retained earnings in the year ended 31 December 2024.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profits attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years.

The basic and diluted earnings per share are the same as there was no potential dilutive shares.

	2024	2023
Profits attributable to owners of the Company (<i>HK\$'000</i>)	16,965	17,774
Weighted average number of ordinary shares in issue	<u>800,000,000</u>	<u>800,000,000</u>
Earnings per share (<i>HK cents</i>)	<u>2.12</u>	<u>2.22</u>

12. RECEIVABLES, CONTRACT ASSETS, PREPAYMENTS AND DEPOSITS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	62,799	75,087
Less: Provision of impairment	<u>–</u>	<u>–</u>
	62,799	75,087
Contract assets (<i>Note i</i>)	<u>8,898</u>	<u>8,650</u>
Total receivables and contract assets	<u>71,697</u>	<u>83,737</u>
Retention money receivables (<i>Note ii</i>)	1,654	2,023
Rental deposit	119	119
Utilities deposits	171	206
Prepaid insurance	2,436	2,608
Prepayment	835	55
Other receivables	<u>4,336</u>	<u>3,328</u>
Total prepayments, deposits and other receivables	9,551	8,339
Less: Non-current	<u>(3,209)</u>	<u>(2,837)</u>
Current	<u>6,342</u>	<u>5,502</u>

Notes:

- (i) Contract assets include receivables for project management fees for work performed but yet to be billed; and the project management fee to be billed for completed project management services of maintenance work. Billings to customers will normally be issued when the contractors for the maintenance work submit their final billings. These balances are reviewed regularly by management. No allowance for impairment of contract assets is considered necessary by the directors with reference to the historical experience in collection of these balances once billed and the financial capability of the customer.
- (ii) In accordance with the service contracts with the customer and the common practice in the industry, the customer withholds a portion of the payments in relation to the project management services for maintenance works rendered by the Group as retention money. The retention money normally represents 5% of the service income of the project management services for maintenance works and is accumulated until the sum retained reaches the limit stated in the service contracts. The retention money will be released to the Group according to the terms and conditions of the service contracts. The balances are regularly reviewed by management with reference to the historical default rates or forfeiture rate. There is no history of forfeiture and default of these balances during the years ended 31 December 2024 and 2023. The carrying amounts of retention money receivables approximate their fair values as the impact of discounting is not significant.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables and deposits mentioned above. The Group does not hold any collateral as security.

The trade receivables are generally on credit terms ranging from 30 to 60 days.

The following is an ageing analysis of trade receivables, presented based on the invoice date at the end of the reporting period:

	2024	2023
	HK\$'000	HK\$'000
Contract assets (<i>Note i</i>)	8,898	8,650
Trade receivables:		
Up to 30 days	33,364	33,089
31 to 60 days	19,165	36,162
61 to 90 days	10,270	5,836
	62,799	75,087
Less: Provision of impairment	71,697	83,737
	–	–
	71,697	83,737

The Group applies the simplified approach under HKFRS 9 to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets.

The carrying amounts of retention money receivables, trade receivables, contract assets and other receivables and deposits approximate their fair values. Retention money receivables, trade receivables, contract assets and other receivables and deposits are mainly denominated in HK\$.

No provision for impairment of trade receivables for the year ended 31 December 2024 and 2023.

13. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED LIABILITIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	–	103
Provision for long service payment and gratuities	32,261	21,699
Provision for unutilised annual leave	2,549	2,763
Accrued wages, salaries and pensions	24,751	22,051
Other accrued expenses and payables	3,492	4,058
Total other payables and accrued liabilities	63,053	50,571
Total trade and other payables and accrued liabilities	63,053	50,674
Less: Non-current	(699)	–
Current	62,354	50,674

At 31 December 2024 and 2023, the ageing analysis of the trade payables based on invoice date was as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	–	103

The carrying amounts of the Group's trade payables are denominated in HK\$.

The carrying amounts of trade and other payables and accrued liabilities approximate their fair values due to their short maturities.

14. CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of the following:

- (i) As at 31 December 2024, the Group had entered into 29 (2023: 24) performance bonds with certain banks. The aggregate amount of the performance bonds was HK\$69,990,000 (2023: HK\$64,440,000) as at 31 December 2024. The directors do not consider it probable that a claim on the performance bonds will be made against the Group; and
- (ii) In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Company mainly includes claims for compensation by the Group's existing or former employees for work related injuries. The Group maintains insurance cover and, in the opinion of the directors of the Group, based on current available evidence, any such existing claims and legal proceedings against the Company have no material financial impact to the Company as at 31 December 2024.

15. ASSETS PLEDGED AS SECURITY

As at 31 December 2024, the banking facilities granted to the Group are secured by:

- (i) The Group's Insurance Contract of HK\$2,664,000 (2023: HK\$2,600,000);
- (ii) The Group's pledged bank deposits of HK\$39,519,000 (2023: HK\$39,550,000); and
- (iii) The corporate guarantee executed by the Company (2023: same).

16. CAPITAL COMMITMENT

As at 31 December 2024 and 2023, the Group had no capital commitment.

17. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by or impacted on the Group subsequent to 31 December 2024 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Our Group is a property management service provider for public housing in Hong Kong. The Group's property management services include (i) estate management services (entailing general management, tenancy management, financial management, minor repairs and maintenance as well as project management services); (ii) security services; and (iii) cleaning services. Given that property management services are a social necessity, they are relatively insulated from economic fluctuations. With a robust business foundation and flexible operational strategies, the Group has sustained its growth, achieving commendable financial results during the review period, with revenue amounting to HK\$379.11 million (2023: HK\$334.24 million), marking an overall revenue increase of 13.42%. The profit before income tax for the year increased to approximately HK\$20.25 million (2023: HK\$19.82 million).

As at 31 December 2024, the Group's existing property management portfolio comprises 17 public housing estates owned by the Hong Kong Housing Authority (“**HA**”) and 11 Home Ownership Scheme (“**HOS**”) estates awarded by the HA which 6 were newly awarded during the review period. The contracts on hand typically span 2 to 5 years, reflecting stable business operations. Among the newly signed contracts, 3 officially commenced service in second half of 2024, while the others are tentatively scheduled to be rolled out progressively in the first half of 2025.

During the review period, the Group achieved a critical milestone in its development strategy by becoming a subsidiary of Asia Allied Infrastructure through acquisition. This acquisition leverages the strengths and expertise of both parties within the industry, creating powerful synergies to capitalize on the government's commitment to increasing housing supply over the next decade. This strategic move aims to expand market share and secure a leading position in the industry. Backed by the parent company's well-established brand image and extensive influence, which serve as a solid foundation, along with the Group's continuous business growth, the company is well-positioned to explore further development opportunities in the public housing market.

To foster advancement within society and the property management sector, and to elevate service quality, the Group initiated Hong Kong's first collaborative research initiative involving the “government-industry-academia-research” sectors. This pioneering project aims to develop an innovative property management platform utilizing digital twin technology, ushering in a new era of smart property management. The initiative seeks to integrate cutting-edge technology into property management services, enhancing the sustainable development and competitiveness of Hong Kong's property management industry, while also addressing facility management challenges faced by traditional property management firms.

During the review period, the platform successfully piloted in selecting shopping malls to gather data, with aspirations to improve indoor air quality and facility management efficiency. The platform will continue to be refined to boost public satisfaction with property management services and will eventually be expanded to cover other property management services, aiming to raise the overall standard of the industry.

In this era of rapid technological advancement, the application of digital technology and robotics is transforming property management practices, leading to significant breakthroughs. Concurrently, the government is promoting the concept of smart estate management. The Group is committed to harnessing leading-edge technologies such as digital twin technology, big data analytics, and artificial intelligence, while also embedding sustainable development to boost our market competitiveness and broaden our service scope. Our vision is to establish new industry benchmarks through innovation and technological advancement, facilitating comprehensive improvements in property management, security, and environmental management, thereby contributing to social welfare.

With the government's commitment to increasing public housing supply and expediting redevelopment plans, the Group recognizes the potential and responsibility within the industry. The Hong Kong government's 2024 policy address indicates an anticipated supply of up to 189,000 public housing units over the next 5 years (2025-26 to 2029-30), along with the active redevelopment of ten public housing estates that could yield around 32,800 new residential units. These initiatives will provide substantial business growth opportunities and drive demand for technological innovations in the public housing property management sector.

Looking to the future, our group will continue to focus on sustainable development, integrating the concept of smart cities to jointly promote social progress. We will embrace new opportunities with an optimistic attitude and leverage our years of industry experience to continuously optimize our management model and enhance our employees' professional skills and service levels. Through innovation and breakthroughs, we aim to respond more effectively to market changes and provide our clients with exceptional service experience. At the same time, we will strengthen our collaboration with the industry, government, and other stakeholders to create greater social value.

Financial Review

Revenue

The Group's revenue increased by approximately 13.42% from approximately HK\$334.24 million for the year ended 31 December 2023 to approximately HK\$379.11 million for the year ended 31 December 2024.

The following table sets out the number of properties the Group was contracted to provide services to as at 31 December 2024.

Types of properties	Number of estates/ contracts
(1) Public housing estates (excluding HOS estates)	17
(2) HOS estates	8

Other Income

Other income decreased by approximately HK\$2.03 million from approximately HK\$3.85 million for the year ended 31 December 2023 to approximately HK\$1.82 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in Anti-Epidemic subsidies received from the Hong Kong government during the year.

Other Losses, Net

Other losses decreased by approximately HK\$0.44 million from approximately HK\$0.97 million for the year ended 31 December 2023 to approximately HK\$0.53 million for the year ended 31 December 2024. The decrease was mainly attributable to a loss on acquisition of a subsidiary has been recognised for the year ended 31 December 2023.

Employee Benefits Expenses

Employee benefits expenses comprised staff costs of the Group's (i) estate management staff, which mainly included staff for general management, tenancy management, financial management, project management, repairs and maintenance, management and headquarters; (ii) security staff; and (iii) cleaning staff. As at 31 December 2024, the Group had a total of 1,677 employees (2023: 1,579 employees).

The total employee benefits expenses amounted to approximately HK\$343.49 million (2023: HK\$301.08 million) for the year ended 31 December 2024, representing approximately 90.61% (2023: 90.08%) of the Group's revenue. The total employee benefits expenses increased by approximately 14.09% for the year ended 31 December 2024 from last year. Such increase was mainly attributable to increase of certain property management services contracts during the year.

Retirement Benefits Scheme

The Group joins a mandatory provident fund (“MPF”) scheme in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Under the MPF Scheme, the Group is required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the scheme vest immediately. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

As at 31 December 2024, the aggregate amount of the Group’s contributions to the aforementioned pension schemes was approximately HK\$11.45 million (2023: HK\$10.40 million). As at 31 December 2024 and 2023, there is no unutilised forfeited contribution which could be utilised to reduce future contributions of the Group.

Cleaning Material Costs

The cleaning material costs amounted to approximately HK\$2.45 million for the year ended 31 December 2024 (2023: HK\$2.77 million), representing a decrease of 11.55% as compared with last year. The decrease was mainly attributable to HA offered six months of free plastic bags to property services agents during the year for the households under public housing estates.

Other Operating Expenses

Other operating expenses amounted to approximately HK\$16.72 million (2023: HK\$14.75 million) for the year ended 31 December 2024, representing an increase of approximately 13.36% from last year. Other operating expenses mainly included insurance expense, office supplies expenses, security charges for specialist guard company to escort money in transit, guarantee fee for performance bonds, entertainment, travelling expense and estate maintenance expenses.

The increase in other operating expenses was mainly attributable to increase in professional fee incurred for the merge and acquisition transaction with Asia Allied Infrastructure.

The breakdown of other operating expenses recorded for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 is as follows:

	For the year ended 31 December 2024 HK\$ ('000)	For the year ended 31 December 2023 HK\$ ('000)
Auditor's remuneration	880	1,300
Insurance and guarantee fee	6,442	6,547
Office supplies	848	952
Security expenses	351	243
Entertainment and travelling expenses	1,716	1,371
Estate maintenance expenses	373	385
Professional fee	3,225	1,478
Uniform & laundry	525	496
Others	2,356	1,979
	<hr/>	<hr/>
Total	16,716	14,751
	<hr/> <hr/>	<hr/> <hr/>

Finance Income, net

Net finance income amounted to approximately HK\$5.11 million (2023: HK\$4.75 million) for the year ended 31 December 2024. The increase was mainly attributable to the increase in interests income derived from bank during the year ended 31 December 2024.

Income Tax Expense

Income tax expense amounted to approximately HK\$3.29 million for the year ended 31 December 2024 (2023: HK\$2.04 million). Profit before income tax amounted to approximately HK\$20.25 million for the year ended 31 December 2024 compared with approximately HK\$19.82 million for the year ended 31 December 2023.

Profit and total comprehensive income attributable to owners of the Company

Profit for the year decreased from approximately HK\$17.77 million for the year ended 31 December 2023 to approximately HK\$16.97 million for the year ended 31 December 2024, mainly due to decrease in Anti-Epidemic subsidies received from the Hong Kong government during the year. Total comprehensive income for the year ended 31 December 2024 amounted to approximately HK\$14.02 million as compared with approximately HK\$17.89 million for the year ended 31 December 2023.

Dividends

The directors have declared and paid the interim dividend of HK1.40 cents per ordinary share, totalling HK\$11.20 million during the year ended 31 December 2024 (2023: HK\$6.00 million).

The Board recommended the payment of a final dividend of HK1.40 cents per ordinary share, totalling HK\$11.20 million for the year ended 31 December 2024 (2023: HK\$5.00 million).

Liquidity and Financial Resources

	2024 HK\$'000	2023 HK\$'000
Financial position		
Current assets	212,156	200,753
Current liabilities	64,778	51,750
Net current assets	147,378	149,003
Total assets	220,109	209,529
Total liabilities	66,110	53,353
Short term bank deposits	70,758	60,408
Cash and cash equivalents	23,840	11,556
Pledged bank deposits	39,519	39,550
Total equity	153,999	156,176
Key financial ratios		
Return on equity ^(Note 1)	11.02%	11.38%
Return on total assets ^(Note 2)	7.71%	8.48%
Current ratio ^(Note 3)	3.28 times	3.88 times
Gearing ratio ^(Note 4)	0.90%	1.45%

Notes:

1. Return on equity is calculated as the profit for the year divided by total equity.
2. Return on total assets is calculated as the profit for the year divided by total assets.
3. Current ratio is calculated as total current assets divided by total current liabilities.
4. Gearing ratio is calculated as the total debt divided by total equity. Total debt represents lease liabilities.

The current ratio as at 31 December 2024 was 3.28 times as compared to that of 3.88 times as at 31 December 2023. The decrease was mainly due to the increase in provision for gratuity during the year ended 31 December 2024.

As at 31 December 2024, the Group's cash and cash equivalents were approximately HK\$23.84 million (2023: approximately HK\$11.56 million). As at 31 December 2024, the Group has no borrowings during the year (2023: nil).

The gearing ratio decreased to approximately 0.90% as at 31 December 2024 from approximately 1.45% as at 31 December 2023, mainly due to the decrease in lease liabilities during the year ended 31 December 2024. With the availability of cash and cash equivalents and bank facilities, the Group has sufficient liquidity to satisfy its funding requirements. The Directors are of the view that the Group's financial position is solid.

Capital Structure

Since the Listing on 10 November 2017 (the "**Listing Date**"), there has been no change in the capital structure of the Company. The share capital of the Group only comprises ordinary shares.

As at 31 December 2024, the Company's issued share capital was HK\$8,000,000 and the number of issued ordinary shares was 800,000,000 of HK\$0.01 each. The number of total issued shares of the Company remained unchanged during the year ended 31 December 2024.

Commitment

The Group did not have material commitment as at 31 December 2024 and 31 December 2023.

Segment Information

Segment information is disclosed in note 3 to this announcement.

Future Plans for Material Investments and Capital Assets

As at 31 December 2024, the Group did not have any plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2024.

Significant Investment

The Group held investment in an insurance contract of approximately HK\$2.66 million as at 31 December 2024 (2023: HK\$2.60 million). The gain on investment in an insurance contract amounted to approximately HK\$0.06 million for the year ended 31 December 2024 (2023: HK\$0.09 million). Other than the insurance contract as mentioned above, the Group did not have other significant investment as at 31 December 2024.

Contingent Liabilities

Save as disclosed in note 14 to this announcement, the Group did not have other material contingent liabilities.

Exposure to Exchange Rate Fluctuation

The Group's revenue generating operations are mainly transacted in Hong Kong Dollar. The Directors consider that the impact of foreign exchange exposure to the Group is minimal. The Group had not entered into any foreign exchange hedging contracts for the year ended 31 December 2024.

Charge of Group's Assets

As at 31 December 2024, the Group has pledged its bank deposits of approximately HK\$39.52 million (2023: approximately HK\$39.55 million) and investment in an insurance contract of approximately HK\$2.66 million (2023: approximately HK\$2.60 million) to a bank for securing its performance bonds of approximately HK\$69.99 million (2023: approximately HK\$64.44 million).

Employees and Remuneration Policies

As at 31 December 2024, the Group had a total of 1,677 employees (2023: 1,579 employees). The Group's employee benefits expenses for the year ended 31 December 2024 amounted to approximately HK\$343.49 million (2023: HK\$301.08 million). To ensure that the Group is able to attract and retain Directors and staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance.

SUBSEQUENT EVENT

Save as disclosed in note 17 to this announcement, the Group did not have other material subsequent event.

CORPORATE GOVERNANCE PRACTICES

The Board recognises that transparency and accountability are important to the Company as a listed company. Since its Listing, the Company is committed in establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return to the benefits of the Company's shareholders as a whole.

The Board has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules. During the year ended 31 December 2024 and up to the date of this announcement, the Board is of the opinion that the Company has complied with all the code provisions of the CG Code.

The Directors will continue reviewing the Company's corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation on the Company.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company had also made specific enquiry to each of the Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code regarding Directors' securities transactions throughout the year ended 31 December 2024. The Company was not aware of any non-compliance with the Model Code by the Directors during the year ended 31 December 2024 and up to the date of this announcement.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

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

The Directors confirm that since the Listing Date and up to the date of this announcement, there has been no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (“**2025 AGM**”) will be held at 3:30 p.m. on Tuesday, 20 May 2025, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

PROPOSED FINAL DIVIDEND

The Directors recommended the payment of a final dividend of HK1.40 cents per ordinary share for the year ended 31 December 2024. The proposed dividend payment is subject to approval by the shareholders of the Company at the 2025 AGM. Upon shareholders’ approval for the payment of the final dividend at the 2025 AGM is obtained, the proposed final dividend is expected to be paid on Friday, 20 June 2025 to shareholders whose names appear on the register of members of the Company on Friday, 30 May 2025.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting to be held on Tuesday, 20 May 2025, the register of members of the Company will be closed from Thursday, 15 May 2025 to Tuesday, 20 May 2025 (both days inclusive), during which period no transfer of the shares will be registered.

Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 14 May 2025.

In order to determine the entitlement of the proposed final dividend, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 26 May 2025.

AUDIT COMMITTEE

The Company established the Audit Committee on 24 October 2017 with written terms of reference in compliance with rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of four independent non-executive Directors, namely Mr. Yu Cheeric, Mr. Ng Kee Fat Ronny, Mr. Wong Bay and Ms. Fung Nancy Ruth. Mr. Yu Cheeric has since been appointed as the chairman of the Audit Committee, and is the independent non-executive Director with the appropriate professional qualifications.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditors, to oversee the independence and qualifications of the external auditors, and to oversee the risk management and internal control procedures of the Company. The annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, 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 Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

APPRECIATION

I wish to take this opportunity to extend my sincere thanks to our shareholders, business partners and customers for their ongoing support to the Group. At the same time, I would like to express my appreciation to my fellow Directors, the Group's management team and staff members for their substantial contribution and unwavering dedication to the Group.

By order of the Board
Modern Living Investments Holdings Limited
Pang Yat Bond, Derrick
Chairman

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises five executive Directors, namely Ir Dr. Pang Yat Bond, Derrick JP, Mr. Pang Yat Ting, Dominic, Mr. Ho Chu Ming, Mr. Ng Fuk Wah and Mr. Xu Jianhua, Jerry, and four independent non-executive Directors, namely Mr. Wong Bay, Mr. Ng Kee Fat Ronny, Mr. Yu Cheeric and Ms. Fung Nancy Ruth.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the ‘‘Latest Listed Company Information’’ page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication and on the website of the Company at www.modernliving.com.hk.