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.

A-LIVING SMART CITY SERVICES CO., LTD. *
雅生活智慧城市服務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3319)

INSIDE INFORMATION

PROFIT WARNING

This announcement is made by 雅生活智慧城市服務股份有限公司 (A-Living Smart City Services Co., Ltd.*) (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 and information currently available to the Board, the unaudited consolidated net loss attributable to the Shareholders for the year ended 31 December 2024 is expected to be in the range of approximately RMB3,200 million to RMB3,500 million. The audited consolidated net profit attributable to the Shareholders for the year ended 31 December 2023 was RMB460 million. The expected turnaround is primarily due to the following reasons:

(I) The Company has fully assessed the creditworthiness of its significant customers. An impairment provision from approximately RMB3.9 billion to RMB4 billion has been made for the trade and other receivables from related parties and third parties related to real estate for the current period out of prudence. The provision for bad debts will not have any material impact on the Company's future repayment. The Company will continue to maintain close communication with its customers for measures of repayment.

(II) As the Company's non-wholly owned subsidiaries engaged in city services have voluntarily withdrawn from certain projects with excessively long collection cycles, the revenue and profits fell short of expectation. As a matter of prudence, the Company has conducted an impairment test on goodwill in accordance with Hong Kong Financial Reporting Standards. Based on the results of the impairment test, the Company intends to make a corresponding impairment provision of approximately RMB200 million to RMB300 million for assets indicating signs of impairment.

(III) The Company emphasized on cash flow and actively adjusted its business structure by replacing certain projects with higher profit margins but poorer returns. The continued downturn in the real estate market has significantly decreased the revenue and profits from the extended value-added services, affecting the Company's overall profitability.

As the Company is still in the process of preparing and finalising the annual results of the Group for the year ended 31 December 2024, information contained in this announcement is only based on a preliminary assessment by the Company's management team with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 and information currently available to the Company, which has not been audited or reviewed by the Company's auditor or the audit committee of the Company and may therefore be subject to changes.

Shareholders and potential investors should read the Company's annual results announcement for the year ended 31 December 2024 carefully, which is expected to be published in March 2025.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
A-Living Smart City Services Co., Ltd.*
LI Dalong
Executive Director, President (General Manager) and Chief Executive Officer

Hong Kong, 17 March 2025

As at the date of this announcement, the Board comprises eight members, being Mr. Chan Cheuk Hung^ (Co-chairman), Mr. Huang Fengchao^ (Co-chairman), Mr. Li Dalong^ (President (General Manager) and Chief Executive Officer), Mr. Chen Siyang^ (Vice President), Ms. Yue Yuan^^, Mr. Wang Gonghu^^^, Mr. Weng Guoqiang^^^ and Mr. Li Jiahe^^^.

^ *Executive Directors*
^^ *Non-executive Director*
^^^ *Independent Non-executive Directors*

* *for identification purposes only*