众安集团
ZHONG AN GROUP

众安智慧生活服务有限公司
Zhong An Intelligent Living Service Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2271)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2024	2023	Change
	RMB'000	*RMB'000*	
Revenue	**412,238**	351,133	+17.40%
Gross profit	**120,282**	118,814	+1.24%
Profit for the year	**37,341**	49,424	-24.45%
Profit attributable to owners of the parent	**38,067**	49,346	-22.86%
Earnings per share attributable to ordinary equity holders of the parent – Basic and diluted	**RMB7.4 cents**	RMB11.2 cents	

	As at 31 December		
	2024	2023	Change
	RMB'000	*RMB'000*	
Total assets	**469,846**	410,085	+14.57%
Net assets	**299,343**	274,756	+8.95%
Net assets value per share	**RMB0.58**	RMB0.53	+9.43%

The board (the "**Board**") of directors (the "**Directors**") of Zhong An Intelligent Living Service Limited (the "**Company**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the corresponding period ended 31 December 2023 (the "**2023 Same Period**") as below:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
REVENUE	*4*	**412,238**	351,133
Cost of sales		**(291,956)**	(232,319)
GROSS PROFIT		**120,282**	118,814
Other income		**4,038**	3,892
Selling and distribution expenses		**(804)**	–
Administrative expenses		**(60,092)**	(49,545)
Impairment losses on financial assets, net		**(10,671)**	(3,846)
Share of losses of an associate		**(23)**	–
PROFIT BEFORE TAX		**52,730**	69,315
Income tax expense	*6*	**(15,389)**	(19,891)
PROFIT FOR THE YEAR		**37,341**	49,424
Profit attributable to:			
Owners of the parent		**38,067**	49,346
Non-controlling interests		**(726)**	78
		37,341	49,424
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted		**RMB7.4 cents**	RMB11.2 cents
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**37,341**	49,424
Total comprehensive income attributable to:			
Owners of the parent		**38,067**	49,346
Non-controlling interests		**(726)**	78
		37,341	49,424

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property and equipment		**4,348**	4,401
Intangible assets		**70**	106
Investment in an associate		**57**	–
Deferred tax assets		**5,051**	3,196
Total non-current assets		**9,526**	7,703
CURRENT ASSETS			
Inventories		**719**	224
Trade receivables	*9*	**153,294**	116,534
Due from related companies		**104,625**	54,555
Prepayments, other receivables and other assets		**61,602**	53,763
Cash and cash equivalents		**137,178**	177,306
Pledged deposits		**2,902**	–
Total current assets		**460,320**	402,382
CURRENT LIABILITIES			
Trade payables	*10*	**24,530**	1,868
Other payables, deposits received and accruals		**57,433**	48,844
Contract liabilities		**49,950**	51,753
Tax payable		**32,980**	31,599
Deferred tax liabilities		**2,241**	1,265
Total current liabilities		**167,134**	135,329
NET CURRENT ASSETS		**293,186**	267,053
TOTAL ASSETS LESS CURRENT LIABILITIES		**302,712**	274,756
NON-CURRENT LIABILITIES			
Contract liabilities		**3,369**	–
Total non-current liabilities		**3,369**	–
NET ASSETS		**299,343**	274,756
EQUITY			
Equity attributable to owners of the parent			
Share capital		**4,731**	4,731
Reserves		**293,491**	268,178
		298,222	272,909
Non-controlling interests		**1,121**	1,847
TOTAL EQUITY		**299,343**	274,756

NOTES TO CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated in the Cayman Islands on 16 November 2020. The registered office address of the Company is the Offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1025 Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are members of Zhong An Group Limited ("**Zhong An**") and its subsidiaries ("**Zhong An Group**"). Zhong An, the shares of which have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since November 2007, is the holding company of Zhong An Group.

The Group is principally engaged in the provision of property management services, value-added services mainly to property developers and community value-added services in Mainland China.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

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, using consistent accounting policies. The results of subsidiaries are consolidated from 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 owners of the parent of the Group 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 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.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

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

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IFRS 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 IFRS 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 IAS 7 and IFRS 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.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 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 is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that, these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company. During the reporting year, the Group was principally engaged in the provision of property management services, value-added services mainly to property developers and community value-added services to customers. Management reviews the operating results of the Group's business as one operating segment for the purpose of making decisions about resource allocation and performance assessment. Therefore, the chief operating decision maker of the Company regards that there is only one segment which is used to make strategic decisions.

Geographical information

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

Information about major customers

For the year ended 31 December 2024, revenue from Zhong An Group contributed 20.76% (2023: 24.73%) to the Group's revenue. Other than the revenue from Zhong An Group, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Property management services	**347,218**	261,200
Value-added services mainly to property developers	**36,815**	58,069
Community value-added services	**28,205**	31,864
Total	**412,238**	351,133

Revenue from contracts with customers

(a) Disaggregated revenue information

Types of services	**Property management services** *RMB'000*	**Value-added services mainly to property developers** *RMB'000*	**Community value-added services** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2024				
Geographical market				
Mainland China	**347,218**	**36,815**	**28,205**	**412,238**
Timing of revenue recognition				
Revenue recognised over time	**347,218**	**36,815**	**20,414**	**404,447**
Revenue recognised at a point in time	**–**	**–**	**7,791**	**7,791**
Total	**347,218**	**36,815**	**28,205**	**412,238**

Types of services	Property management services *RMB'000*	Value-added services mainly to property developers *RMB'000*	Community value-added services *RMB'000*	Total *RMB'000*
For the year ended 31 December 2023				
Geographical market				
Mainland China	261,200	58,069	31,864	351,133
Timing of revenue recognition				
Revenue recognised over time	261,200	58,069	20,397	339,666
Revenue recognised at a point in time	–	–	11,467	11,467
Total	261,200	58,069	31,864	351,133

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Property management services	**49,406**	36,143

(b) Performance obligations

For property management services, value-added services mainly to property developers and community value-added services, the Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts because for property management services and certain value-added services mainly to property developers, the Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to the customer of the Group's performance to date on a monthly basis. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. For community value-added services, they are rendered in a short period of time, which is generally less than a year, and there was no unsatisfied performance obligation at the end of the year.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income	**88**	164
Government grants*	**3,140**	3,377
Others	**810**	351
Total	**4,038**	3,892

* The government grants are related to expenses and recognised in profit or loss upon receipt of these grants. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of services provided*	**291,956**	232,319
Impairment of trade receivables	**7,971**	3,846
Impairment of other receivables	**2,700**	–
Depreciation of items of property and equipment	**896**	942
Amortisation of intangible assets	**36**	34
Staff costs (excluding directors' and chief executive's remuneration):		
Wages and salaries	**174,136**	173,103
Pension scheme contributions and social welfare**	**25,287**	28,480
Total	**199,423**	201,583
Listing expenses	**–**	4,311
Auditor's remuneration	**1,434**	1,415

* Amounts of RMB165,365,000 and RMB178,767,000 of staff costs were included in "Cost of services provided" in the consolidated statement of profit or loss and other comprehensive income during the years ended 31 December 2024 and 2023, respectively.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and the Group's subsidiary incorporated in the BVI is not subject to any income tax. The Group's subsidiary incorporated in Hong Kong was not liable for income tax as it did not have any assessable profits arising in Hong Kong during the year.

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC subsidiaries.

	2024	2023
	RMB'000	*RMB'000*
Current tax:		
PRC corporate income tax	**16,268**	19,587
Deferred tax	**(879)**	304
Total tax charge for the year	**15,389**	19,891

7. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Proposed final – RMB1.89 cent (2023: RMB2.45 cent) per ordinary share	**9,761**	12,653

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of RMB38,067,000 (2023: RMB49,346,000), and the weighted average number of ordinary shares of 517,414,000 (2023: 441,700,225), for the purpose of computing basic earnings per share. The number of ordinary shares ended 31 December 2023 has been adjusted retrospectively for the effect of the issues relating to the capitalisation issue in July 2023 with 379,999,999 shares, and as if the capitalisation issues had been completed on 1 January 2022.

The calculation of basic earnings per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent	**38,067**	49,346

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year	**517,414,000**	441,700,225

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024 (2023: Nil).

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of revenue recognition and net of loss allowance for impairment, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**71,555**	64,591
Over 6 months and within 1 year	**28,601**	25,818
Over 1 year and within 2 years	**42,514**	23,040
Over 2 years and within 3 years	**10,624**	3,085
Total	**153,294**	116,534

10. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**22,822**	1,786
3 to 12 months	**1,532**	74
12 to 24 months	**170**	8
Over 24 months	**6**	–
Total	**24,530**	1,868

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

As at 31 December 2023 and 2024, the carrying amounts of trade payables approximated to their fair values.

11. CONTINGENT LIABILITIES

As of 31 December 2024 and 2023, the Group did not have any material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Since the listing of Zhong An in November 2007 on the Stock Exchange, the Company is the second subsidiary of Zhong An to be successfully listed on the Stock Exchange through the spin-off. The first subsidiary of Zhong An successfully listed on the Stock Exchange by way of spin-off was China New City Group Limited (stock code: 1321) ("**CNC**"). The Company has been listed on the Main Board of the Stock Exchange since 18 July 2023.

The Group is a reputable integrated property management service provider headquartered in Hangzhou with deep roots in Zhejiang province and the Yangtze River Delta Region. Through over 25 years of operations since our establishment in 1998, the Group has grown from a local property management service provider in Hangzhou to an integrated regional property management service provider with a major presence in Zhejiang province.

According to China Index Academy, the Group has been listed on the list of the Top 100 Property Management Companies in China (中國物業服務百強企業) since 2016 and our ranking among the Top 100 Property Management Companies in China rose from 82nd in 2016 to 37th in 2024, reflecting the Group's growing property management capabilities and overall strength.

In 2024, the Group once again secured numerous accolades, including being ranked among the 2024 Top 50 Integrated Strength Property Management Companies in China, placed 36th in the 2024 Top 100 Property Management Companies in China, recognized as the 2024 Leading Chinese Company in Property Service Quality, and listed among the 2024 Top 100 Property High Quality Service Providers in China. Additionally, the Group earned titles such as the 2024 Growth Leading Enterprise of China Property Service Enterprises, 2024 Annual Property Service Enterprise with Sense of Social Responsibility in China, 2024 Top 100 China Property Management Companies in terms of Brand Influence, and 2024 Leading Intelligent Property Services Company in China. During the same year, the Group also obtained the Enterprise Integrity Management System Certification.

As of 31 December 2024, the Group had a total of 145 contracted projects with a contracted area of approximately 21.75 million sq.m., covering 21 cities and eight provinces in China. As of 31 December 2024, the Group had 130 projects under management, with area under management of approximately 20.00 million sq.m., covering 20 cities and seven provinces in China.

The following table sets forth the revenue from property management services and GFA under management by types of property for the years indicated:

	For the Year ended 31 December							
	2024				2023			
	Number of projects	**GFA under management**	**Revenue**	**Percentage**	Number of projects	GFA under management	Revenue	Percentage
		(sq.m'000)	*(RMB'000)*			*(sq.m'000)*	*(RMB'000)*	
Residential properties	**117**	**18,262**	**269,444**	**77.6%**	87	13,864	182,859	70.0%
Non-residential properties	**13**	**1,736**	**77,774**	**22.4%**	26	2,563	78,341	30.0%
Total	**130**	**19,998**	**347,218**	**100.0%**	113	16,427	261,200	100.0%

Benefitting from the Long-term Support of the Remaining Group whilst Expanding Our Business to Independent Third-Party Customers

Zhong An is one of the leading real estate developers in the Yangtze River Delta Region, whilst the CNC, together with Zhong An and its subsidiaries (the "**Remaining Group**"), is a major commercial property developer in the Yangtze River Delta Region. Their development projects include residential properties, commercial complexes, hotels and other properties. As of 31 December 2024, to the best knowledge of the Group after consulting the Remaining Group, it had about 23 property projects under development or held for development in the PRC, with a total GFA of approximately 4.9 million sq.m. Among the projects mentioned above, we have obtained service agreements in respect of 13 property projects with a total GFA of approximately 2.4 million sq.m. as of 31 December 2024.

Diversified Service Offerings and Revenue Streams Balanced our Business Development

Over the course of the Group's development, in addition to the efforts in managing residential property projects, we also focused on non-residential property projects comprising primarily commercial and office buildings, serviced apartments, industrial parks, public and other properties (such as office buildings of PRC governmental bodies, hospitals, schools and parks). The management of the Group believes that the development of our non-residential property projects portfolio would enable the Group to provide more personalized and professional service offerings and enhance its service standards, which would in turn allow the Group to provide our customers with better quality services and elevate the Group's brand reputation and image. Meanwhile, we are actively developing new models for business expansion. Through strategic cooperation with enterprises under the State-owned Assets Supervision and Administration Commission, we lay the foundation for business growth. By providing consulting services to small and medium-sized enterprises, we explore new growth opportunities of the operational business.

During the Reporting Period, the Group has always adhered to "providing better services to homeowners" as the Group's business goal. We have improved and optimized the product line system and operation management system, and promoted management and service standardization. In terms of service quality, we have established strict service standards and achieved their visualization through the production of standardized videos and pocket guides. At the same time, we have strengthened employee training to enhance the standardization of services. Meanwhile, we have implemented our dual initiatives of "Quality Supervision Officer" and "General Manager Reception Day," complemented by four supporting programs namely "Listening Quality Improvement Month", "Happy Labor Day", "Doing One Thing for Our Residents", and "Four Seasons at Home" to establish core brand standards, aiming to empower the front line through management, better understand the actual needs of customers, and accurately improve the service quality of each project, thereby improving customer satisfaction. In terms of smart services, the Group has continued to promote smart fire protection, smart security, and smart access systems, as well as devices such as sweeping robots and delivery robots, thereby providing more convenient and efficient integrated services to meet customer needs. In 2024, the Group officially established an intelligent service platform, integrating smart fire protection systems, smart security systems, smart access systems, as well as online reporting and repair services, to further advance intelligent management and services. At the same time, efforts were made to gradually increase the adoption rate of intelligent robots in fundamental property services. Currently, sweeping robots, delivery robots, and similar devices have been put into service in multiple projects. At the same time, in order to cater to the needs of homeowners more accurately, on the value-added service side, we have diversified into offerings such as retail-to-home, housekeeping services, car washing and beautification services, and home renovation and decoration services. In 2024, we introduced new pet services, further enhancing the "Last-mile" initiative and building a diversified, one-stop community service ecosystem to make the lives of homeowners more convenient and efficient. The Group has also continued to explore business development in multiple new areas, and formulated multiple new business tracks based on business needs and the Company's development direction, which will be gradually implemented in future development. The Group endeavored to understand the needs of our customers, refine our services and build an all-rounded service system under the "Zhong An Intelligent Living" brand.

FINANCIAL REVIEW

Revenue

For the Reporting Period, revenue of the Group amounted to approximately RMB412.2 million (2023: RMB351.1 million), representing an increase of 17.4% as compared with the 2023 Same Period. The Group's revenue was derived from three major business lines: (i) property management services; (ii) value-added services mainly to property developers; and (iii) community value-added services.

The following table sets forth a breakdown of our revenue by business line for the years indicated, both in absolute amount and as a percentage of total revenue:

	For the Year ended 31 December			
	2024		2023	
	(RMB in thousands, except for percentages)			
Property management services	**347,218**	**84.2%**	261,200	74.4%
Value-added services mainly to property developers	**36,815**	**8.9%**	58,069	16.5%
Community value-added services	**28,205**	**6.9%**	31,864	9.1%
	412,238	**100.0%**	351,133	100.0%

Property Management Services

During the Reporting Period, revenue from property management services amounted to approximately RMB347.2 million, representing an increase of 32.9% as compared with approximately RMB261.2 million in the 2023 Same Period. As at 31 December 2024, the Group had a total GFA under management of approximately 20.0 million sq.m., representing an increase of approximately 3.6 million sq.m. or 22.0% as compared with approximately 16.4 million sq.m. in the 2023 Same Period. The increase was primarily attributable to the increase in projects delivered by the Remaining Group and the Remaining Group's joint ventures and associates, as well as our further expansion into independent third-party property developers. As of 31 December 2024, GFA managed by independent third-party property developers was approximately 9.1 million sq.m., representing an increase of 20.3% from approximately 7.5 million sq.m. as of 31 December 2023.

A majority of our revenue from property management services is generated from services provided to properties developed by Remaining Group. As of 31 December 2024, we had 57 properties (2023: 53 properties) developed by Remaining Group under our management, with a total GFA under the management of approximately 9.9 million sq.m. (2023: approximately 8.0 million sq.m.).

The following table sets forth a breakdown of revenue from property management services and GFA under our management by type of property developers for the years indicated:

	For the Year ended 31 December							
	2024				2023			
	Number of projects	**GFA under management** ***(sq.m'000)***	**Revenue** ***(RMB'000)***	**Percentage**	Number of projects	GFA under management *(sq.m'000)*	Revenue *(RMB'000)*	Percentage
Remaining Group[(1)]	**57**	**9,865**	**235,294**	**67.8%**	53	8,005	168,851	64.6%
Joint ventures and associates of the Remaining Group[(2)]	**7**	**1,060**	**20,546**	**5.9%**	6	881	6,315	2.5%
Independent third-party property developers[(3)]	**66**	**9,073**	**91,378**	**26.3%**	54	7,541	86,034	32.9%
Total	**130**	**19,998**	**347,218**	**100.0%**	113	16,427	261,200	100.0%

Notes:

(1) Refer to properties solely developed by the Remaining Group or jointly developed by the Remaining Group and independent third-party property developers where the Remaining Group held a controlling interest in such properties.

(2) Refer to properties jointly developed by the Remaining Group and independent third-party property developers where the Remaining Group did not hold a controlling interest in such properties.

(3) Refer to properties solely developed by independent third-party property developers.

Our Geographical Presence

The Yangtze River Delta Region is one of the more economically developed regions in China. Its urbanization rate and per capita annual disposable income are higher than the national averages and it has a national-leading level of urban digitalization infrastructure. Therefore, the Yangtze River Delta Region has always been and will continue to be our focus of development.

The following table sets forth a breakdown of our total GFA under management by region for the periods indicated:

	For the Year ended 31 December					
	2024			2023		
	Number of projects	**GFA under management** ***(sq.m'000)***	**Percentage**	Number of projects	GFA under management *(sq.m'000)*	Percentage
Second-tier cities[1]	**78**	**11,420**	**57.1%**	68	10,015	61.0%
Third-tier cities[1]	**7**	**1,179**	**5.9%**	5	817	5.0%
Other cities[1]	**45**	**7,399**	**37.0%**	40	5,595	34.0%
Total	**130**	**19,998**	**100.0%**	113	16,427	100.0%

Note:

(1) For the purpose of this table, "second-tier cities" include Hangzhou, Ningbo, Hefei and Qingdao; "third-tier cities" include Jinhua and Wenzhou; and "other cities" include Lishui, Huzhou, Chuzhou, Huaibei, Taizhou and Zhoushan.

Portfolio of Properties under Management

While the majority of properties under our management are primarily attributable to residential properties, we continuously sought to provide property management services to non-residential properties in the Reporting Period. The non-residential properties under our management are diverse, including commercial and office buildings, serviced apartments, and public and other properties (such as office buildings of PRC governmental bodies, industrial parks, hospitals, schools, and museums). We believe that by accumulating our experience and recognition for the quality of our property management services to both residential and non-residential properties, we will be able to continue to diversify our portfolio of properties under management and further enlarge our customer base.

The following table sets forth a breakdown of the revenue from property management services and GFA under management by types of property for the years indicated:

	For the Year ended 31 December							
	2024				2023			
	Number of projects	**GFA under management** *(sq.m'000)*	**Revenue** *(RMB'000)*	**Percentage**	Number of projects	GFA under management *(sq.m'000)*	Revenue *(RMB'000)*	Percentage
Residential properties	**117**	**18,262**	**269,444**	**77.6%**	87	13,864	182,859	70.0%
Non-residential properties	**13**	**1,736**	**77,774**	**22.4%**	26	2,563	78,341	30.0%
Total	**130**	**19,998**	**347,218**	**100.0%**	113	16,427	261,200	100.0%

Value-added Services Mainly to Property Developers

The following table sets forth a breakdown of the revenue of the value-added services mainly to property developers for the periods indicated, both in absolute amount and as a percentage of total revenue:

	For the Year ended 31 December			
	2024		2023	
	(RMB in thousands, except for percentages)			
Sales office management services	**23,252**	**63.1%**	44,404	76.5%
Preliminary planning and design consultancy services	**9,119**	**24.8%**	5,723	9.9%
Pre-delivery inspection services	**4,444**	**12.1%**	7,942	13.6%
	36,815	**100.0%**	58,069	100.0%

We provide a range of value-added services mainly to property developers covering different stages of property development projects, which primarily comprise (i) sales office management services mainly including the provision of management services at property sales venues and display units of property developers, (ii) preliminary planning and design consultancy services to property developers and (iii) pre-delivery inspection services.

During the Reporting Period, revenue from value-added services mainly to property developers amounted to approximately RMB36.8 million, representing a decrease of approximately RMB21.3 million as compared with approximately RMB58.1 million in the 2023 Same Period.

The decrease was primarily attributable to the combined results of (i) a decrease in the pre-delivery inspection services of approximately RMB3.5 million and (ii) a decrease in the provision of sales office management services of approximately RMB21.1 million.

Community Value-added Services

The following table sets forth a breakdown of the revenue of community value-added services for the periods indicated, both in absolute amount and as a percentage of total revenue:

	For the Year ended 31 December			
	2024		2023	
	(RMB in thousands, except for percentages)			
Common area management services	**16,273**	**57.7%**	17,851	56.0%
Renovation waste disposal services	**4,165**	**14.8%**	2,546	8.0%
Car parking space sales agency services	**5,833**	**20.7%**	11,467	36.0%
Community retail services	**1,532**	**5.4%**	–	–
Community car washing and beautification service	**402**	**1.4%**	–	–
	28,205	**100.0%**	31,864	100.0%

We mainly provide community value-added services principally to property owners and residents of our managed properties, which primarily comprise (i) common area management services where we assist property owners to lease out common areas for advertisement placements and operation or promotion of businesses which help facilitate the living convenience of the community, (ii) renovation waste disposal services where we assist the property owners in disposing of the waste generated as a result of the renovation work carried out in their units and (iii) car parking space sales agency services where we assist the Remaining Group to sell and purchasers to purchase car parking spaces in certain property projects we managed or under our management.

Revenue from community value-added services was approximately RMB28.2 million during the Reporting Period, representing a decrease of approximately RMB3.7 million compared with approximately RMB31.9 million in the 2023 Same Period. The decrease was mainly due to subdued consumer spending and an increasingly competitive market environment.

Cost of Sales

Our cost of sales primarily consists of (i) staff costs which refer to the costs of our on-site staff directly providing property management services, value-added services mainly to property developers and community value-added services; (ii) expenses for cleaning and gardening services including cleaning, waste and sewerage charges; (iii) expenses for maintenance services and consumables including equipment repair expenses; and (iv) utilities expenses including water and electricity charges, office supplies for property management offices and communication charges.

For the Reporting Period, the Group's cost of sales was approximately RMB292.0 million (2023: approximately RMB232.3 million), representing an increase of 25.7% compared with the 2023 Same Period. The growth rate of cost of sales was higher than that of revenue of 8.3 percentage points. The increase was primarily attributable to the expansion of the property management business, which led to an increase in the area under management and a rise in the number of employees.

During the Reporting Period, staff costs included in the cost of sales were approximately RMB238.4 million, representing an increase of approximately RMB39.8 million as compared with approximately RMB198.6 million in the 2023 Same Period.

Gross Profit and Gross Profit Margin

The following table sets forth the gross profit margin by business segment for the years indicated:

	For the Year ended 31 December	
	2024	2023
Property management services	**27.4%**	31.1%
Value-added services mainly to property developers	**38.9%**	41.5%
Community value-added services	**38.8%**	42.6%
	29.2%	33.8%

The gross profit of the Group was approximately RMB120.3 million for the Reporting Period, representing a slight increase of approximately RMB1.5 million as compared with approximately RMB118.8 million in the 2023 Same Period.

The Group's gross profit margin was affected by the combined gross profit margin of the three segments of property management services, community value-added services and value-added services mainly to property developers. The gross profit margin decreased from 33.8% for the 2023 Same Period to 29.2% in the Reporting Period, which was primarily due to the decreased gross profit margin on value-added services mainly to property developers and property management services during the Reporting Period.

Administrative expenses

Our administrative expenses reached approximately RMB60.1 million, representing an increase of 21.4% from approximately RMB49.5 million for the 2023 Same Period. The administrative expense ratio (administrative expense divided by revenue) was 14.6%, representing a slight increase of 0.5 percentage point compared to 14.1% in the 2023 Same Period, which was mainly attributable to an increase in the area under management, as well as the newly added community value-added services business.

Income Tax Expenses

The income tax expenses of the Group decreased by 22.6% from approximately RMB19.9 million for the 2023 Same Period to approximately RMB15.4 million for the Reporting Period. The effective income tax rate was 29.2% (2023: 28.7%), representing an increase of 0.5 percentage point compared to the 2023 Same Period.

Profit for the Year

As a result of the foregoing, the Group's net profit was approximately RMB37.3 million for the Reporting Period, representing a decrease of 24.5% as compared with approximately RMB49.4 million for the 2023 Same Period. The net profit margin was 9.1%, representing a decrease of 5 percentage point as compared to 14.1% for the 2023 Same Period.

The profit attributable to the owners of the parent decreased by approximately 22.9% from approximately RMB49.3 million for the 2023 Same Period to approximately RMB38.1 million for the Reporting Period. The basic and diluted earnings per share attributable to ordinary equity holders of the parent were RMB7.4 cents per share (2023: RMB11.2 cents per share).

Trade receivables and prepayments, other receivables and other assets

As of 31 December 2024, trade receivables and prepayments, other receivables and other assets amounted to approximately RMB214.9 million, representing an increase of approximately 26.2% from approximately RMB170.3 million as of 31 December 2023, which was primarily attributable to (i) the expansion of GFA under management, which led to an increase in trade receivables from property management services; and (ii) the recovery of trade receivables from real estate developers has been slow due to the impact of national macroeconomic policies and market conditions in the real estate industry.

LIQUIDITY AND CAPITAL RESOURCES

The Group pursues a prudent treasury management policy and actively manages its liquidity position to cope with daily operations and any demands for capital for future development. Also, the Group actively reviews and manages its capital structure on a regular basis to maintain the advantages and security of a strong capital position and adjust the capital structure in response to changes in economic conditions.

The Group's principal sources of liquidity come from the proceeds from our business operations. Most of the Group's cash and cash equivalents are denominated in RMB, which amounted to approximately RMB137.2 million as of 31 December 2024, representing a decrease of approximately RMB40.1 million from RMB177.3 million as of 31 December 2023.

As of 31 December 2024, the Group's current ratio (current assets divided by current liabilities) was 2.8 times (31 December 2023: 3.0 times).

As of 31 December 2024, the Group did not have any bank borrowings, and the gearing ratio (total borrowings divided by total equity) was nil.

EMPLOYEES AND REMUNERATION POLICY

The Group had a total of 2,951 (31 December 2023: 2,696) employees as at 31 December 2024. Total staff costs of the Group (excluding the Directors' and chief executive officer's remuneration) for the year ended 31 December 2024 was approximately RMB199.4 million (2023: RMB201.6 million). The Group has adopted a system of determining employees' remuneration based on the performance of employees. The Group generally provides competitive remuneration packages to employees, including basic salaries, performance-based awards and year-end bonus. The Group also pays for social security insurance for its employees, including medical insurance, work-related injury insurance, endowment insurance, maternity insurance, unemployment insurance and housing funds. In terms of employee training, the Group provides continuous and systematic training to employees based on their positions and expertise to enhance their expert knowledge in property management and related fields.

Foreign exchange risk

Substantially all of the Group's revenues and expenditures are denominated in RMB. As of 31 December 2024, the Group has not entered into any hedging transactions. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS

As of 31 December 2024, the Group had no capital commitments.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As of 31 December 2024, the Company, its subsidiaries, and its associates did not have any financial guarantees, mortgage guarantees for loans, or other significant contingent liabilities.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group did not make any significant investments and made no other material acquisitions or disposals of subsidiaries, associates, or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group intends to utilize part of the net proceeds raised from the listing to acquire or invest in other property management companies as part of our strategies to expand our business scale and market share. As at the date of this announcement, the Group did not have any other future plans for material investments or acquisition of capital assets.

EVENTS AFTER REPORTING PERIOD

There were no important events affecting the Group which occurred since 31 December 2024 and up to the date of this announcement.

FUTURE OUTLOOK

Looking ahead, the Group will establish its strategic foundation on "returning to the essence of services and reshaping the quality-price matching system" and adhere to the operational philosophy of "creating value through services". By building the "two primary and four auxiliary" core brand standards, the Group aims to precisely identify homeowners' core needs and enhance customer satisfaction. In response to the profound transformations within the property industry, the Group will focus on three key pillars, "intelligent, ecological, and sustainable". Efforts will be made to deepen its foundation in the Yangtze River Delta region, innovate service models and business structures, and continuously consolidate its leading position in the industry, thereby achieving a transformative upgrade from a traditional property service provider to a trusted intelligent lifestyle service provider.

I. Strategic Refinement and Business Upgrading

Leveraging the "Deep-rooted + Density Enhancement" strategy, the focus is on the three core business segments of residential properties, commercial offices, and public buildings. The Group will continuously strengthen its regional density in the Yangtze River Delta and increase the concentration of projects within single cities to achieve economies of scale. Relying on the "Platform + Ecosystem" model, efforts are being accelerated to advance the diversified value-added services portfolio. Through the integration of resources on the "Zhongdatong"(眾達通)ecosystem platform, the Group is creating online and offline full-scenario touchpoints. Emphasis is placed on building the "Last Kilometer" living service chain, encompassing community retail, home services, asset operations, pet services, and more, to establish a highly cohesive community ecosystem. At the same time, the Group is accelerating the upgrade of the "1+9" service system, which is rooted in fundamental property services. This initiative focuses on the full lifecycle demands of communities by developing customized product packages and incubating business lines, such as commercial decoration, cleaning and beautification services, and charging station operations, to establish a replicable and sustainable diversified income structure.

II. Quality Upgrade and Customer Experience Reshaping

To comprehensively enhance customer satisfaction, the Group will actively implement the "Service Quality Leap Scheme", focusing on three key dimensions: responsiveness to customer needs, service standards, and employee empowerment. By targeting these areas, the Group aims to achieve a significant improvement in service quality. Through ongoing diversified initiatives such as "Quality Supervision Officer", "General Manager Reception Day", and "Listening Quality Improvement Month", the Group will deepen customer engagement and precisely identify homeowners' core needs. At the same time, leveraging unique services such as "Happy Labor Day," "Doing One Thing for Our Residents," and "Four Seasons at Home" as platforms, the Group continuously enhances customer experience and satisfaction and ensures that every customer can genuinely feel the warmth and value of the services provided.

III. Technological empowerment and efficiency leap

The Group is increasing its investment in Internet of Things technologies to facilitate intelligent replacements in scenarios such as safety protection, parking management, and equipment inspections. Through the development of a central data platform, the Group aims to enhance service decision-making precision and significantly boost operational efficiency. Innovations in "scenario-based services" are being deepened, leveraging customer behavior data to drive personalized service offerings. By integrating tools like robotic assistants and intelligent property management platforms, a 24-hour response mechanism has been established to enhance homeowner interaction and strengthen brand loyalty. Simultaneously, the "Headquarters Platform + Regional Partnership" management mechanism is being advanced. This includes centralized procurement through the supply chain, process automation reforms, and technological substitutions to reduce marginal costs, thereby freeing up resources to further enhance quality.

IV. Assets Upgrading and Ecosystem Co-governance

Proactively addressing cost pressure challenges within the industry, the Group is accelerating the strategic shift from "property services" to "asset management". It is exploring ways to activate community space resources and deeply engaging in scenarios, such as community elderly care stations and shared office spaces, to establish a dual-driving model of "property services + assets appreciation". Innovative mechanisms such as "transitioning from joint ventures to self-operated models" and "volunteer co-construction with zero property fees" have been implemented. These efforts, in collaboration with homeowners' committees, aim to build a community co-governance platform that enhances service transparency and homeowner participation, while achieving dynamic balance between quality bonus and cost efficiency.

V. Humanistic Values and Social Responsibility

Embracing a "customer-centered" service philosophy, the Group will cultivate a humanistic ecosystem through initiatives such as community cultural festivals and neighborly assistance schemes. These efforts are integrated with low-carbon park renovations, community canteens, childcare stations, and other livelihood-oriented facilities to support grassroots social governance. Over the next three years, the Group will continue to advance the integration of intelligent services with asset value, delivering measurable and sustainable social benefits to create shared value for shareholders, customers, and society.

In the face of deepening industry transformation, we will rely on a clear strategic focus, solid operational capabilities, and breakthrough innovative thinking to continuously build differentiated competitive advantages. Our aim is to guide property services toward a new paradigm of intelligence, ecology, and humanity. In doing so, we aspire to become a trusted brand for customers and a respected century-long benchmark in the industry.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance corporate value and commitment to responsibility. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its corporate governance standards and, to the best knowledge of the Directors, the Company has complied with all applicable code provisions set out in the CG Code during the Reporting Period.

The Directors will use their best endeavors to ensure that the Company continues to comply with the CG Code.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB1.89 cents per Share (2023: RMB2.45 cents) for the year ended 31 December 2024 (the "**Proposed Final Dividend**"). The Proposed Final Dividend is subject to the approval of Shareholders at the annual general meeting of the Company (the "**AGM**") to be held on 5 June 2025 and will be paid on or before 19 June 2025 to the Shareholders whose names appear on the register of members of the Company on 30 July 2024.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 2 June 2025 to 5 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 30 May 2025 for registration.

For determining the entitlement to the Proposed Final Dividend (subject to approval by the shareholders at the AGM), the register of members of the Company will be closed from 16 June 2025 to 19 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Proposed Final Dividend, unregistered holders of shares of the Company shall ensure that all transfer documents 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 for registration not later than 4:30 p.m. on 13 June 2025.

THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code for dealing in securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities. The Directors have confirmed compliance with the required standard set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2024.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Board has established its audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee consists of three members, including three independent non-executive Directors, namely Mr. Liang Xinjun, Mr. Chung Chong Sun and Mr. Chiu Ngam. The Audit Committee is chaired by Mr. Chung Chong Sun, an independent non-executive Director who possesses appropriate professional accounting and related financial management expertise.

Our Audit Committee has reviewed the Company's consolidated financial statements for the year ended 31 December 2024 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our Audit Committee has also discussed audit and financial reporting matters.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zazhsh.com). The annual report of the Company will be dispatched to the shareholders of the Company in due course, and published on the above websites in due course.

By order of the Board
Zhong An Intelligent Living Service Limited
Shi Zhongan
Chairman

The People's Republic of China, 27 March 2025

As at the date of this announcement, the Board comprises Mr. Shi Zhongan, Mr. Sun Zhihua, Ms. Xu Jianying, Mr. Ding Lei and Ms. Ding Shuchun as executive directors; and Mr. Chung Chong Sun, Mr. Liang Xinjun and Mr. Chiu Ngam as independent non-executive directors.