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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 People's Republic of China with limited liability)

(Stock Code: 3319)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL SUMMARY

	For the year ended 31 December		
	2024	2023	Change
Revenue *(RMB million)*	**13,867.2**	15,443.4	-10.2%
Gross profit *(RMB million)*	**2,084.2**	2,645.6	-21.2%
Gross profit margin	*15.0%*	*17.1%*	*-2.1 percentage points*
Net (loss)/profit *(RMB million)*	**-3,126.9**	698.7	N/A
Net profit margin	*-22.5%*	*4.5%*	*-27.0 percentage points*
Adjusted core net profit *(RMB million)**	**1,079.8**	1,555.4	-30.6%
Adjusted core net profit margin*	*7.8%*	*10.1%*	*-2.3 percentage points*
(Loss)/profit attributable to shareholders of the Company *(RMB million)*	**-3,270.7**	460.9	N/A
Basic (loss)/earnings per share *(RMB)*	**-2.30**	0.32	N/A
Cash and cash equivalents *(RMB million)*	**3,315.9**	4,074.9	-18.6%
Proposed final dividend per share *(RMB)*	**0.03**	0.06	-50.0%
Proposed total final dividend *(RMB million)*	**42.6**	85.2	-50.0%

* Adjusted core net profit attributable to the Company, excluding the effect of the amortization of intangible assets due to the merger and acquisition, impairment losses on goodwill, gain or loss on disposal of equity interests, interest expense on borrowings, changes in the fair value of put options, change in profit or loss of financial assets at fair value through profit or loss, interest income, net impairment losses on financial assets and impairment loss on prepayment.

- For the year ended 31 December 2024 (the "**Year**"), the Group recorded a revenue of RMB13,867.2 million, representing a decrease of 10.2% as compared with the corresponding period of last year. During the Year, the revenue contributed by the Group's four major businesses was as follows: (i) the revenue from property management services increased by 1.6% to RMB10,980.9 million as compared with the corresponding period of last year; (ii) the revenue from property owners value-added services decreased by 44.7% to RMB1,291.5 million as compared with the corresponding period of last year; (iii) the revenue from city services decreased by 11.5% to RMB1,228.5 million as compared with the corresponding period of last year; and (iv) the revenue from extended value-added services decreased by 60.0% to RMB366.3 million as compared with the corresponding period of last year.

- During the Year, the Group recorded (i) a gross profit of RMB2,084.2 million, representing a decrease of 21.2% as compared with the corresponding period of last year, with a gross profit margin of 15.0%, representing a year-on-year decrease of 2.1 percentage points; (ii) a core gross profit margin of 16.3% excluding the effect of the amortisation of intangible assets due to the merger and acquisition; (iii) loss attributable to shareholders of the Company (the "**Shareholders**") of RMB3,270.7 million, and profit attributable to shareholders of the Company for the corresponding period in 2023 was RMB460.9 million; and (iv) basic losses per share of RMB2.30.

- Taking into account the Group's business development needs and the Shareholders' investment returns, the Board proposed to declare a final dividend of RMB0.03 per share (before tax) for the year ended 31 December 2024.

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	3	**13,867,234**	15,443,449
Cost of sales		**(11,783,056)**	(12,797,899)
Gross profit		**2,084,178**	2,645,550
Selling and marketing expenses		**(41,622)**	(101,377)
Administrative expenses		**(792,550)**	(836,424)
Net impairment losses on financial assets		**(4,329,333)**	(534,820)
Impairment loss on goodwill		**(246,206)**	(427,890)
Impairment loss on prepayment		**(37,113)**	(4,716)
Other income	4	**105,897**	190,994
Other (loss)/gains — net	5	**(236,689)**	92,418
Operating (loss)/profit		**(3,493,438)**	1,023,735
Finance costs	6	**(28,832)**	(20,128)
Share of post-tax profits of joint ventures and associates		**17,682**	44,937
(Loss)/profit before income tax		**(3,504,588)**	1,048,544
Income tax credit/(expenses)	7	**377,700**	(349,811)
(Loss)/profit for the year		**(3,126,888)**	698,733
(Loss)/profit attributable to:			
— Shareholders of the Company		**(3,270,698)**	460,875
— Non-controlling interests		**143,810**	237,858
		(3,126,888)	698,733
(Loss)/earnings per share (expressed in RMB per share)			
— Basic and diluted (loss)/earnings per share	8	**(2.30)**	0.32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(3,126,888)**	698,733
Other comprehensive income		
Item that will not be reclassified to profit or loss		
— share of other comprehensive income of associates and joint ventures	**–**	2,199
Total comprehensive (expense)/income for the year	**(3,126,888)**	700,932
Attributable to:		
— Shareholders of the Company	**(3,270,698)**	463,074
— Non-controlling interests	**143,810**	237,858
	(3,126,888)	700,932

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment ("**PPE**")	*9*	**609,041**	632,800
Right-of-use assets	*9*	**54,141**	82,511
Investment properties	*10*	**195,832**	262,995
Other intangible assets	*11*	**913,775**	1,170,180
Goodwill	*11*	**2,551,858**	2,887,011
Deferred income tax assets		**977,068**	385,182
Investment accounted for using the equity method		**1,105,188**	1,202,285
Prepayments	*12*	**965,940**	923,797
Financial assets at fair value through other comprehensive income		**12,418**	12,593
Financial assets at fair value through profit or loss ("**FVPL**")		**–**	3,238
		7,385,261	7,562,592
Current assets			
Trade and other receivables and prepayments	*12*	**7,380,871**	10,206,581
Inventories		**33,619**	38,518
Financial assets at fair value through profit or loss		**1,993,658**	2,000,112
Restricted cash		**137,912**	167,912
Cash and cash equivalents	*13*	**3,315,850**	4,074,865
		12,861,910	16,487,988
Total assets		**20,247,171**	24,050,580
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	*14*	**1,420,001**	1,420,001
Other reserves		**5,618,153**	5,625,031
Retained earnings		**2,369,610**	5,768,108
		9,407,764	12,813,140
Non-controlling interests		**1,742,622**	1,635,991
Total equity		**11,150,386**	14,449,131

CONSOLIDATED BALANCE SHEET (CONTINUED)

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
LIABILITIES			
Non-current liabilities			
Other payables	*15*	**6,989**	2,891
Contract liabilities		**91,719**	83,631
Borrowings		**213,279**	115,369
Lease liabilities		**17,714**	42,069
Deferred income tax liabilities		**246,808**	313,152
		576,509	557,112
Current liabilities			
Trade and other payables	*15*	**6,365,019**	6,683,371
Contract liabilities		**1,415,070**	1,567,840
Current income tax liabilities		**464,457**	576,025
Borrowings		**248,395**	181,386
Lease liabilities		**27,335**	35,715
		8,520,276	9,044,337
Total liabilities		**9,096,785**	9,601,449
Total equity and liabilities		**20,247,171**	24,050,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

A-Living Smart City Services Co., Ltd. (previously named as "A-Living Services Co., Ltd", the "**Company**") was established in the People's Republic of China (the "**PRC**") on 26 June 1997. On 21 July 2017, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company's registered office is Management Building, Xingye Road, Agile Garden, Sanxiang Town, Zhongshan, Guangdong Province, PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 9 February 2018.

The Company's parent company is Zhongshan A-Living Enterprise Management Services Co., Ltd. ("**Zhongshan A-Living**"), an investment holding company established in the PRC, and its ultimate holding company is Agile Group Holdings Limited ("**Agile Holdings**"), a company incorporated in the Cayman Islands and its shares are listed on the Hong Kong Stock Exchange.

The Company and its subsidiaries (together the "**Group**") are primarily engaged in the provision of property management services, related value-added services and city sanitation and cleaning services in the PRC.

These consolidated financial statements are presented in Renminbi, unless otherwise stated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the accounting principles generally accepted in Hong Kong.

These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"). The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in note (b).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) and investment properties measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

(b) New and amended standards adopted by the Group

Amended HKFRSs that are effective for annual periods beginning on 1 January 2024

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and disclosure in financial statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKAS 21	Lack of exchangeability	1 January 2025
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;

- Disclosure of management-defined performance measures ("**MPMs**") in a single note to the financial statements; and

- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and

- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRSs, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs.

3. REVENUE

Revenue mainly comprises proceeds from property management services, related value-added services and city sanitation and cleaning services. An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 is as follows:

	Timing of revenue recognition	Year ended 31 December	
		2024	2023
		RMB'000	*RMB'000*
Property management services	over time	**10,980,938**	10,806,749
Value-added services related to property management			
— Other value-added services	over time	**1,504,025**	2,615,206
— Sales of goods	at a point in time	**153,817**	634,067
City sanitation and cleaning services	over time	**1,228,454**	1,387,427
		13,867,234	15,443,449

4. OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest income:		
— from deposits and loans to third parties	**60,509**	110,061
— from loans to related parties	**450**	766
Tax incentives *(Note (b))*	**8,986**	20,246
Government grants *(Note (a))*	**30,389**	58,414
Rental income *(Note 10)*	**890**	889
Miscellaneous	**4,673**	618
	105,897	190,994

(a) Government grants consisted mainly of financial subsidies granted by the local governments. There are no unfulfilled conditions or other conditions attached to the government grant recognised during the year ended 31 December 2024 and 2023.

(b) Tax incentives mainly included additional deduction of input value-added tax applicable to the Company and its certain subsidiaries.

5. OTHER (LOSS)/GAINS — NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Losses from disposal of investments accounted for using the equity method	**(127,602)**	–
Net fair value (losses)/gains on financial assets at FVPL	**(3,238)**	20,098
Gains on redemption and disposal on financial assets at FVPL	**22,209**	15,463
Gains from bargain purchase on acquisition of a subsidiary	**–**	186
(Losses)/Gains from disposal of subsidiaries	**(103,986)**	16,655
Fair value gains on put options	**–**	14,976
Fair value losses on investment properties *(Note 10)*	**(10,365)**	(10,100)
Net foreign exchange (losses)/gains	**(1,354)**	5,385
(Losses)/Gains on disposal of PPE and investment properties	**(6,900)**	26,183
Miscellaneous	**(5,453)**	3,572
	(236,689)	92,418

6. FINANCE COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Unwinding of discount on financial liabilities for put options	**–**	312
Interest expense of borrowings	**25,855**	13,367
Interest and finance charges paid/payable for lease liabilities	**2,977**	5,753
Interest expense of long-term payables	**–**	696
	28,832	20,128

7. INCOME TAX (CREDIT)/EXPENSES

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax:		
— PRC corporate income tax	**340,257**	491,616
Deferred income tax	**(717,957)**	(141,805)
	(377,700)	349,811

PRC corporate income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated taxable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the group entities located in Mainland China is 25% (2023: 25%) according to the Corporate Income Tax Law of the PRC.

According to the Corporate Income Tax Law of the PRC, corporations which obtain the Certificate of High and New Technology Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential tax rate of 15%.

In 2020, Guangzhou Yatian obtained the Certificate of High and New Technology Enterprise with valid period from 2020 to 2022. In 2023, Guangzhou Yatian renewed the certificate and continues to enjoy the preferential income tax rate with three-year valid. The tax rate applicable to Guangzhou Yatian during the year ended 31 December 2024 was 15% (2023: 15%).

Certain subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% during the years ended 31 December 2024 and 2023.

Certain subsidiaries of the Group in the PRC are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% during the years ended 31 December 2024 and 2023.

Certain subsidiaries of the Group enjoy the preferential income tax treatment for Small and Micro Enterprise with the income tax rate of 20% and are eligible to have their tax calculated based on 25% or 50% of their taxable income.

Hong Kong income tax

No provision for Hong Kong profits tax has been made for the years ended 31 December 2024 and 2023 as the Group did not generate any assessable profits arising in Hong Kong during the years.

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of RMB3,270,698,000 (31 December 2023: profit of RMB460,875,000) and on the weighted average number of 1,420,000,800 ordinary shares in issue during the year ended 31 December 2024 and 2023.

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2024 and 2023. Diluted (loss)/earnings per share was equal to basic (loss)/earnings per share.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
(Loss)/profit attributable to shareholders of the Company *(RMB'000)*	**(3,270,698)**	460,875
Weighted average number of ordinary shares in issue *(in thousands)*	**1,420,001**	1,420,001
Basic (loss)/earnings per share for (loss)/profit attributable to the shareholders of the Company during the year *(expressed in RMB per share)*	**(2.30)**	0.32

9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Buildings	Transportation equipment	Office equipment	Machinery	Subtotal	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024							
Cost	135,721	199,663	45,032	560,770	941,186	144,040	1,085,226
Accumulated depreciation and amortisation	(32,630)	(79,039)	(21,106)	(175,611)	(308,386)	(61,529)	(369,915)
Net book amount	103,091	120,624	23,926	385,159	632,800	82,511	715,311
Year ended 31 December 2024							
Opening net book amount	103,091	120,624	23,926	385,159	632,800	82,511	715,311
Additions	50,622	14,599	6,464	69,727	141,412	14,862	156,274
Other disposals	(18)	(2,832)	(1,112)	(10,909)	(14,871)	(2,315)	(17,186)
Acquisition of a subsidiary	–	–	–	87	87	322	409
Disposal of subsidiaries	–	(1,080)	(931)	(1,279)	(3,290)	(8,780)	(12,070)
Depreciation and amortisation charge	(5,117)	(28,837)	(8,325)	(104,818)	(147,097)	(32,459)	(179,556)
Closing net book amount	148,578	102,474	20,022	337,967	609,041	54,141	663,182
As at 31 December 2024							
Cost	186,314	202,556	41,391	583,672	1,013,933	122,217	1,136,150
Accumulated depreciation and amortisation	(37,736)	(100,082)	(21,369)	(245,705)	(404,892)	(68,076)	(472,968)
Net book amount	148,578	102,474	20,022	337,967	609,041	54,141	663,182

	Buildings	Transportation equipment	Office equipment	Machinery	Subtotal	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023							
Cost	165,578	180,700	59,875	413,847	820,000	147,666	967,666
Accumulated depreciation and amortisation	(34,165)	(48,990)	(28,813)	(105,489)	(217,457)	(95,950)	(313,407)
Net book amount	131,413	131,710	31,062	308,358	602,543	51,716	654,259
Year ended 31 December 2023							
Opening net book amount	131,413	131,710	31,062	308,358	602,543	51,716	654,259
Additions	4,576	36,965	8,498	164,643	214,682	79,279	293,961
Other disposals	(24,221)	(1,528)	(5,300)	(59)	(31,108)	(12,403)	(43,511)
Acquisition of a subsidiary	–	177	–	–	177	–	177
Disposal of subsidiaries	–	(358)	(57)	(7)	(422)	–	(422)
Depreciation and amortisation charge	(8,677)	(46,342)	(10,277)	(87,776)	(153,072)	(36,081)	(189,153)
Closing net book amount	103,091	120,624	23,926	385,159	632,800	82,511	715,311
As at 31 December 2023							
Cost	135,721	199,663	45,032	560,770	941,186	144,040	1,085,226
Accumulated depreciation and amortisation	(32,630)	(79,039)	(21,106)	(175,611)	(308,386)	(61,529)	(369,915)
Net book amount	103,091	120,624	23,926	385,159	632,800	82,511	715,311

Depreciation and amortisation expenses were charged to the following categories in the consolidated income statement:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cost of sales	**130,617**	135,052
Selling and marketing expenses	**1,506**	1,412
Administrative expenses	**47,433**	52,689
	179,556	189,153

As at 31 December 2024, certain self-used PPE with net book value of RMB154,526,000 (31 December 2023: RMB89,455,000) were pledged as collateral for the Group's borrowings.

10. INVESTMENT PROPERTIES

	Commercial properties
	RMB'000
As at 1 January 2023	252,796
Addition	26,459
Revaluation losses recognised in the profit or loss *(Note 5)*	(10,100)
Disposals	(6,160)
As at 31 December 2023 and 1 January 2024	**262,995**
Addition	**659**
Revaluation losses recognised in the profit or loss *(Note 5)*	**(10,365)**
Disposals	**(57,457)**
As at 31 December 2024	**195,832**

(a) Amounts recognised in the consolidated income statement for investment properties:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other income *(Note 4)*	**890**	889

(b) As at 31 December 2024, certain investment properties with market value of RMB27,524,000 were pledged as collateral for the Group's borrowings (31 December 2023: RMB15,965,000).

(c) As at 31 December 2024 and 2023, the Group had no unprovided contractual obligations for future repairs and maintenance.

(d) **Fair value hierarchy**

As at 31 December 2024 and 2023, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There were no transfers between level 1, 2 and 3 during the year.

(e) **Valuation processes and techniques**

The Group measures its investment properties at fair value. The investment properties were valued by the management at the acquisition date and 31 December 2024. Methods and key assumptions in determining the fair value of the investment as at respective dates are disclosed as follows:

Fair value measurements used significant unobservable inputs (level 3).

Fair values of investment properties are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The main level 3 input used by the Group is market price.

(f) Valuation inputs and relationships to fair value

Description	**Fair value at 31 December 2024** *RMB'000*	2023 *RMB'000*	**Unobservable inputs**	**Range of inputs (probability-weighted average)**	**Relationship of unobservable inputs to fair value**
Office buildings	195,832	262,995	Market price (RMB/square meter)	13,000–29,000 (2023: 14,500–53,000)	The higher the market price, the higher the fair value

11. INTANGIBLE ASSETS

	Computer software *RMB'000*	Trademarks *RMB'000*	Customer relationship and backlogs *RMB'000*	Subtotal *RMB'000*	Goodwill *RMB'000*	Total *RMB'000*
As at 1 January 2024						
Cost	51,276	63,802	1,824,143	1,939,221	3,314,901	5,254,122
Accumulated amortisation	(26,343)	(29,749)	(712,949)	(769,041)	–	(769,041)
Accumulated impairment losses	–	–	–	–	(427,890)	(427,890)
Net book amount	24,933	34,053	1,111,194	1,170,180	2,887,011	4,057,191
Year ended 31 December 2024						
Opening net book amount	24,933	34,053	1,111,194	1,170,180	2,887,011	4,057,191
Additions	1,627	–	–	1,627	–	1,627
Acquisition of subsidiaries	–	–	–	–	618	618
Other disposals	(276)	–	–	(276)	–	(276)
Disposal of subsidiaries	(55)	(28,730)	(39,172)	(67,957)	(89,565)	(157,522)
Amortisation	(8,662)	(1,673)	(179,464)	(189,799)	–	(189,799)
Impairment losses	–	–	–	–	(246,206)	(246,206)
Closing net book amount	17,567	3,650	892,558	913,775	2,551,858	3,465,633
As at 31 December 2024						
Cost	52,043	28,860	1,764,002	1,844,905	3,145,426	4,990,331
Accumulated amortisation	(34,476)	(25,210)	(871,444)	(931,130)	–	(931,130)
Accumulated impairment losses	–	–	–	–	(593,568)	(593,568)
Net book amount	17,567	3,650	892,558	913,775	2,551,858	3,465,633

	Computer software RMB'000	Trademarks RMB'000	Customer relationship and backlogs RMB'000	Subtotal RMB'000	Goodwill RMB'000	Total RMB'000
As at 1 January 2023						
Cost	52,026	63,342	1,824,143	1,939,511	3,314,901	5,254,412
Accumulated amortisation	(22,220)	(26,153)	(518,889)	(567,262)	–	(567,262)
Net book amount	29,806	37,189	1,305,254	1,372,249	3,314,901	4,687,150
Year ended 31 December 2023						
Opening net book amount	29,806	37,189	1,305,254	1,372,249	3,314,901	4,687,150
Additions	604	460	–	1,064	–	1,064
Other disposals	(104)	–	–	(104)	–	(104)
Amortisation	(5,373)	(3,596)	(194,060)	(203,029)	–	(203,029)
Impairment losses	–	–	–	–	(427,890)	(427,890)
Closing net book amount	24,933	34,053	1,111,194	1,170,180	2,887,011	4,057,191
As at 31 December 2023						
Cost	51,276	63,802	1,824,143	1,939,221	3,314,901	5,254,122
Accumulated amortisation	(26,343)	(29,749)	(712,949)	(769,041)	–	(769,041)
Accumulated impairment losses	–	–	–	–	(427,890)	(427,890)
Net book amount	24,933	34,053	1,111,194	1,170,180	2,887,011	4,057,191

Amortisation of intangible assets has been charged to the consolidated income statement as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cost of sales	**185,129**	198,393
Administrative expenses	**4,670**	4,636
	189,799	203,029

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables *(Note (a))*		
— Related parties	**3,573,411**	3,387,830
— Third parties	**4,852,765**	4,319,695
	8,426,176	7,707,525
Less: allowance for impairment of trade receivables	**(4,065,494)**	(1,053,795)
	4,360,682	6,653,730
Other receivables		
— Related parties	**1,016,599**	875,453
— Third parties *(Note (b))*	**2,795,127**	2,474,646
	3,811,726	3,350,099
Less: allowance for impairment of other receivables	**(1,273,585)**	(266,888)
	2,538,141	3,083,211
Prepayments		
— Related parties	**287,463**	287,396
— Third parties	**1,202,354**	1,110,757
	1,489,817	1,398,153
Less: allowance for impairment of prepayment	**(41,829)**	(4,716)
	1,447,988	1,393,437
Subtotal	**8,346,811**	11,130,378
Less: non-current portion of prepayments	**(965,940)**	(923,797)
Current portion of trade and other receivables and prepayments	**7,380,871**	10,206,581

(a) Trade receivables mainly represented the receivables of outstanding property management service fee and the receivables of value-added service income and city sanitation and cleaning service income.

Property management services income, value-added service income and city sanitation and cleaning service income are received in accordance with the terms of the relevant services agreements, and due for payment upon the issuance of demand note.

As at 31 December 2024 and 2023, the aging analysis of the trade receivables based on recognition date were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**3,401,066**	4,012,222
1 to 2 years	**1,920,411**	2,802,837
2 to 3 years	**2,413,952**	565,314
Over 3 years	**690,747**	327,152
	8,426,176	7,707,525

Trade receivables of RMB113,641,000 (31 December 2023: RMB65,422,000) were pledged as collateral for a subsidiary's borrowings. The associated secured borrowings amounted to RMB89,254,000 (31 December 2023: RMB44,167,000).

(b) Included in other receivables as at 31 December 2024, there were advances to third parties of RMB705,560,000 (2023: RMB1,223,040,000), which are interest bearing ranging from 2% to 4.5% per annum (31 December 2023: 2% to 7% per annum) and to be repaid within one year.

(c) As at 31 December 2024 and 2023, trade and other receivables were denominated in RMB and the fair values of trade and other receivables approximated their carrying amounts.

13. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash at bank and in hand:		
— Denominated in RMB	**3,308,063**	4,066,843
— Denominated in HK$	**461**	301
— Denominated in US$	**2,094**	2,094
— Denominated in AUD$	**5,232**	5,627
	3,315,850	4,074,865

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks. Bank deposits which are restricted to use are included in "restricted cash" of the consolidated balance sheet.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

14. SHARE CAPITAL

	Number of shares		Share capital	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
			RMB'000	*RMB'000*
Issued and fully paid	**1,420,000,800**	1,420,000,800	**1,420,001**	1,420,001

15. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables		
— Related parties	**140,496**	57,824
— Third parties	**2,776,681**	2,886,533
	2,917,177	2,944,357
Other payables		
— Related parties	**150,665**	104,052
— Third parties	**2,286,595**	2,318,913
	2,437,260	2,422,965
Dividends payables	**80,162**	118,664
Accrued payroll	**860,284**	1,047,219
Other taxes payables	**77,125**	153,057
	6,372,008	6,686,262
Less: non-current portion of other payables	**(6,989)**	(2,891)
Current portion of trade and other payables	**6,365,019**	6,683,371

As at 31 December 2024 and 2023, the aging analysis of the trade payables (including amounts due to related parties in trade nature) based on invoice date were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**2,401,343**	2,624,448
1 to 2 years	**351,885**	264,720
2 to 3 years	**120,814**	35,482
Over 3 years	**43,135**	19,707
	2,917,177	2,944,357

As at 31 December 2024 and 2023, trade and other payables were all denominated in RMB and the fair values of trade and other payables approximated their carrying amounts.

16. DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the year

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Proposed final dividend of RMB0.03 (2023: 0.06) per share	**42,600**	85,200
Interim dividend declared of RMB0.03 (2023: 0.025) per share	**42,600**	35,500
	85,200	120,700

A final dividend of RMB0.03 per share for the year ended 31 December 2024, totalling RMB42,600,000 have been proposed by the Board of the Company and are subject to the approval of the forthcoming annual general meeting to be held on 28 May 2025. These dividend will be distributed out of the Company's retained earnings. These consolidated financial statements have not reflected the proposed dividend payable.

The interim dividend RMB0.03 per share, totalling RMB42,600,000, has been approved at the extraordinary general meeting on 5 December 2024 and paid in cash in January 2025.

CHAIRMAN'S STATEMENT

Dear Shareholders,

We are pleased to present the audited consolidated results of A-Living Smart City Services Co., Ltd. ("**A-Living**" or the "**Company**") and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**").

In 2024, despite the complexity of the global political landscape and the uncertainty in the economic environment, China's annual GDP maintained steady growth. Since late September, the government has introduced a series of measures aimed at improving livelihoods and stimulating the economy. As more policies are going to take effect, they are expected to further support stable economic recovery of China. During the Year, the real estate market remained in a phase of deep adjustment and foundation-building. With the Political Bureau meetings explicitly emphasising the need to stabilise the property market and halt its decline, various regions swiftly developed relevant measures, leading to a recovery in market confidence. The property management industry continued to develop with quality, with multiple regions revising property service regulations and strengthening standards to guide enterprises towards more standardised operations. Amid economic cycles and structural changes in housing inventory, property owners and customers have raised their expectations for property services, seeking better value for money. This has, to some extent, reshaped the competitive landscape. Under this new situation and market structure, the key to sustainable growth for property management companies lies in how they can provide innovative, diversified, and high-quality services to meet varying demands.

BUSINESS REVIEW

In 2024, the Group proactively adapted to macroeconomic and industry changes, timely adjusting its strategy to refocus on its core businesses. With a strong commitment to property services, its major business, the Group worked diligently to enhance service quality. Thanks to the trust and support of property owners, along with the dedication of all employees, the Group successfully navigated multiple challenges, achieving steady progress in both service standards and business management as well as improvement of operation quality, and enabling the Group to maintain its industry-leading scale and overall strength.

During the Year, the Group recorded revenue of RMB13,867.2 million, gross profit of RMB2,084.2 million and net loss of RMB3,126.9 million. Loss attributable to the shareholders of the Company (the "**Shareholders**") was RMB3,270.7 million and the basic loss per share was RMB2.30. Despite the challenges in the external environment and the impact of certain some non-operational factors, the Group's sustainable business fundamentals remained stable. As at 31 December 2024, the gross floor area (the "**GFA**") under management and the contracted GFA of the Group were 550.6 million sq.m. and 723.1 million sq.m., respectively, which continued to solidify the Group's competitive edge of a diversified business portfolio.

Quality was the core focus of the Group's key initiatives throughout the Year. Committed to a customer-centric approach, the Group adopted the theme of "service for greater good", extending the full lifecycle of service experiences and launching a series of initiatives to enhance service quality. Efforts centred around four key areas: quality inspection, cost reduction and efficiency improvement, management standards, and risk control. By identifying ten major pain points, strengthening frontline inspections, and implementing online quality inspections, the Group effectively addressed operational and management problems, achieving significant results. To improve service quality, the Group conducted in-depth investigations at the primary level, proactively identifying and resolving issues while systematically managing risks to ensure timely rectifications. Further steps included revising and updating regulatory frameworks, fully upgrading the A-Steward customer service system, and strengthening the development of frontline and key talents, with a particular focus on enhancing professional expertise of specialised positions. The Group also refined its residential project classification standards, building a number of high-quality, well-operated benchmark projects that contributed to a steady improvement in property owners' satisfaction. Additionally, the Group continued to upgrade environmental and facility standards, with a strong focus on fire safety, elevator maintenance, and E-bike safety. Emergency response drills were reinforced to ensure a robust safety management system. A pilot online energy consumption management platform was introduced to optimise project risk control. Outsourced supplier management was strengthened, leading to increased supplier concentration and improved service quality and stability. Furthermore, the Group prioritised primary-level governance and expanded the "Five-Party Co-Building" model. Through organising various community cultural and sports activities during the Year, the Group proactively promoted the development of "child-friendly communities" and "senior wellness communities", fostering deeper community integration and sustainable development while delivering positive social value.

The Group has shifted towards high-quality development, prioritising sustainable business performance and service excellence over rapid expansion at the expense of quality and profit. Despite increasing competition and external pressures, the Group has maintained its leading position in key niche markets, including managing government office buildings, cultural and sports venues, and parks and scenic spots, by adopting a differentiated approach to expanding in the existing market. A key focus has been securing contract renewals for large-scale and high-quality projects. During the Year, the Group successfully acquired several prestigious institutional projects, including the Civil Aviation Flight University of China, Guangdong Polytechnic of Water Resources and Electric Engineering, and primary and secondary schools, as well as kindergartens in Tianjin TEDA Sub-district, with a wide range of diversified services to these educational institutions. At the same time, the Group has actively expanded its high-value existing client base, securing service contracts with various major corporations such as China Pacific Insurance, CNOOC, and the Industrial and Commercial Bank of China (ICBC). Furthermore, the Group has continued to optimise its project structure by concentrating on strategically key regions, increasing management density, and leveraging economies of scale. Efforts have also been made to accelerate the phasing out of some underperforming projects, terminating low-efficiency, cash flow-deficient projects, and withdrawing from isolated markets. At the same time, the Group has swiftly expanded its portfolio with high-quality projects to ensure overall stability in its scale of management.

The Group has proactively adjusted its business layout along the industrial chain, prioritising quality-driven transformation while maximising the potential of existing properties and improving operational efficiency. In terms of the property owners value-added services, the Group has proactively responded to shifting consumer trends and the downturn in the real estate market by continuously optimising its business structure. It has made strategic adjustments to its scale, selectively focusing on sustainable, non-cyclical essential services, and developing high-quality, personalised core product offerings. During the Year, the property owners value-added services segment reshaped its home services operations, strengthening self-built supply chain capabilities and refining its product portfolio with a unified brand strategy. The community retail business underwent further product restructuring, focusing on profitable products and business models while prioritising regional market penetration and conversion rates. For space-related services and businesses related to real estate market, the Group adopted a prudent and professional approach, maximising the value of existing resources. Additionally, the Group upgraded its city services business model and continued to quit underperformed projects, maintaining overall scale stability while optimising its project portfolio during the Year. It established refined project classification management standards and proactively explored asset-light service models to improve payment collections and strengthen operational efficiency, ensuring sustainable development.

2024 was a pivotal year for the Group in strengthening its foundations and enhancing its capabilities. During the Year, while ensuring service quality and significantly improving property owners' satisfaction, the Group also paid high attention to cash flow management, adopting multi-channel strategies to enhance payment collection, achieving notable results. In terms of organisational management, the Group continued to prioritise frontline operations and drive organisational transformation. Initiatives such as the Golden Steward Revitalisation and Empowerment Programme reinforced specialised service teams at the primary level, optimised engineering staff allocation, and effectively improved both project service quality and team capabilities. In terms of digitalisation, the Group advanced the online integration of business operations for all scenarios, focusing on enhancing the usability of platforms and management tools to empower business functions, improve service quality, and enhance the smart service experience for property owners. For public building projects, the Group developed the "Smart Compound" system, shifting from a reactive to a proactive service model. Through grid-based management, services became more intelligent and transparent. For residential projects, the Group collaborated with Alipay to introduce a contactless visitor registration feature, enhancing access efficiency, facilitating community service coordination, and ensuring the efficient and user-friendly management of food delivery personnel. Additionally, the online customer service and payment system underwent upgrade, leading to a significant increase in online payment adoption, which in turn improved operational efficiency and reduced relevant costs. During the Year, the Group proactively cultivated a corporate culture driven by dedication and excellence, promoting integrity, professionalism, and a spirit of hard work. This strengthened organisational cohesion and competitiveness, fostering a dynamic and results-oriented corporate environment.

PROSPECT

The macro environment and economic development are expected to evolve amidst ongoing volatility, requiring enterprises to continuously adapt to new situations and changes. Reflecting on the past year, the property management industry has undergone a phase of structural adjustment, characterised by rapid shifts in the competitive landscape. Although some industry players have experienced slower growth, limited scale expansion, and profitability pressure, the public's demand for a higher quality of life remains strong. The ongoing trend of industry upgrading and consolidation continues to hold significant potential, and the Group remains fully confident in the long-term prospects of the property management sector. Property management enterprises will inevitably face increasingly complex competition and diverse market demands, with the value-for-money of their service offerings becoming the key determinant of competitive strength.

Looking ahead, the Group will remain committed to its mission, striving to create value for property owners by delivering services and products that are "fairly priced", "worth the price", and even "exceed expectations". By ensuring the preservation and appreciation of assets, the Group aims to contribute to the core value of meeting the people's aspirations for a better life, positioning service excellence as the cornerstone of its competitive advantage. In 2025, the Group will focus on four key priorities summed up as "steady development, enhancing quality, facilitating payment collections, and strengthening efficiency". With stability as the foundation, the Group will exercise strict risk control to ensure healthy and sustainable business development.

In terms of steady development, the Group will shift from a "scale and speed" driven model to a "quality and effectiveness" driven model. The focus will be on "products + services + operations", with a customer-centric approach, concentrating on the core service business and ensuring the stability of key operational fundamentals. The Group will continue to leverage its market advantages, with keen market insights, focusing on core business values, seizing development opportunities, and seeking drivers for profit growth. Regarding management scale development, the Group will prioritise quality, moving from "large and comprehensive" to "focused and specialised". The Group will actively participate in market competition, expanding its scale through quality-driven and differentiated approaches, deeply exploring opportunities in the existing market, seeking breakthroughs in sectors where it has advantages, and effectively managing risks. While continually adjusting its project portfolio, the Group will ensure stable project renewals through high-quality service and maximise the value of existing client resources. Additionally, the Group will respond to the growing needs of property owners by upgrading its service product system, creating a menu-style and personalised service offering. In terms of business development along the value chain of the industry, the Group will focus on customer satisfaction, continuously optimising the value-added service business structure, concentrating on two main categories: community living and asset appreciation. Returning to the essence of operations, the Group will focus on profitable businesses and high-potential products. In 2025, the property owners value-added services segment will focus on creating a series of benchmark projects to serve as models for business promotion. Through specialised operations, the Group will further improve the replicability and conversion rate of its businesses. The city services segment will continue to strengthen operational efficiency, with a focus on quality and cash flow, optimising geographic layout and project portfolio to maintain overall scale stability.

The Group firmly upholds the belief that "quality is the lifeline of A-Living" and remains dedicated to delivering services that are truly "fairly priced". By continuously enhancing service capabilities and meeting the expectations of property owners, the Group aims to build service quality its core competitive advantage. In 2025, the Group will further strengthen quality management, consolidating existing achievements while embracing innovation and breakthroughs to provide high-quality, heartwarming, and personalised services. It will address competition, challenges and risks through service quality enhancement, differentiated competition, and refined management. First, the Group will reinforce service standardization, improve the service classification and standard grading systems and refine its product portfolio design. It will focus on developing service standards for non-residential properties, enabling the replication of benchmark projects. By "online + offline" integration, the Group will achieve all-rounded quality inspections, transitioning from thematic inspections to routine self-assessments through an enhanced online quality management system. This will ensure the effective implementation of standards and the resolution of key issues. Second, the Group will refine its service steward system by fully implementing a "steward grid-based management" model to achieve refined quality management, enhance customer stickiness, and improve customer satisfaction. Through comprehensive surveys, it will gain genuine insights into property owners' satisfaction levels, address suggestions and feedback, and optimise resolution efficiency. The Group will also continue upgrading project facilities and equipment, with a focus on fire safety and energy consumption control. Additionally, it will monitor favorable policies on the renovation of ageing residential communities and the renewal of old elevators to seize relevant potential opportunities. Furthermore, the Group will continue strengthening its brand identity, embedding a customer-centric core value into its corporate culture. By integrating innovative service concepts and highlighting key themes such as "caring", "heartwarming", and "compassion", the Group aims to establish a distinctive and recognisable brand image.

In 2025, the Group will leverage on lean management and quality improvement as key drivers for growth, ensuring operational efficiency by optimising management practices. It will focus on balancing core business indicators such as cost, profitability and cash flow while establishing clear objectives to enhance management effectiveness. Cash flow is essential to stable business development. The Group will proactively address remaining issues, safeguard its legal rights through multiple channels and measures, and maintain financial health through refined cash flow management. It will work to mitigate existing risks while preventing new ones, decisively phasing out low-quality, low-efficient projects with poor payment collective rate. By concentrating service capacity on high-quality projects, the Group will ensure overall operational stability. Meanwhile, the Group will strengthen supplier management and enforce strict risk controls in operations, further increasing the proportion of centralised procurement to fortify compliance and corporate governance. Additionally, it will continue to emphasise on its talent strategy, enhancing talent development, and improving team collaboration and execution capabilities. By implementation of the "enterprise-specific strategies" and driven by business performance, the Group will balance standardised management with differentiated growth strategies.

In the face of unpredictable market challenges and the continuous evolution of the industry, enterprises that fail to proactively adjust their strategies in response to shifting market demands will struggle to remain competitive. The Group will remain firmly centred on quality, closely analysing market trends while staying attuned to policy directions. Innovation will be embedded throughout its entire operational chain, enabling it to formulate agile and effective response strategies, proactively adapt to change, and seize emerging opportunities. The Group will capitalise on the opportunities presented by intelligence transformation, leveraging and implementing artificial intelligence to address pain points in property owners' needs. It will continue strengthening its informatised platform capabilities, using data to support and guide business operations. Simultaneously, the Group will embrace management innovation by exploring intelligent "human-machine integration" solutions to enhance smart service capabilities. By integrating technology, it aims to improve service precision and operational efficiency. In 2025, grounded in frontline operational needs and improvement on quality, service and operation, the Group will drive digital transformation by implementing advanced information technology and smart equipment. This will result in more efficient, convenient, and customer-centric services, ensuring continuous progress in smart property management.

Steady development paves the way to long-term success into the future. Over the past 33 years, the Group has worked relentlessly with unity and determination, establishing itself as an industry leader in both scale and overall strengths, providing high-quality, professional services to hundreds of thousands of property owners. In the midst of great changes that have not been seen in a century, despite cyclical fluctuations and temporary challenges, the entire team at the Group remains committed to a long-term vision. With a steadfast approach, we will pursue steady growth, embrace professional integrity, strive for greater good, and persevere through market cycles. Our ultimate goal is to achieve sustainable success for all stakeholders: delivering exceptional service experiences to property owners, providing employees with vast opportunities for development, fostering mutually beneficial partnerships, and creating lasting value for Shareholders.

ACKNOWLEDGEMENT

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, we would like to extend our heartfelt gratitude to our Shareholders and customers for their enormous support and to all our staff members for their dedicated efforts, which contributed greatly to the development of the Group.

Chan Cheuk Hung/Huang Fengchao
Co-Chairman of the Board

Hong Kong, 28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, the global economy experienced an overall slowdown in growth with persistent divergence, while domestic economic restructuring continued to deepen. The real estate market accelerated its transformation with the support of a comprehensive policy package, while the property management industry entered into a new competitive landscape that prioritizes service quality and operational efficiency, driving high-quality development across the sector. Aligning with industry trends, the Group adhered to a high-quality development strategy by optimizing service models, comprehensively enhancing service standards, and further improving operational efficiency to deliver high-quality services commensurate with the price for property owners. During the Year, the Group prioritized financial health and operational quality, with a focus on strengthening cash collection to maintain stable cash flows, thereby enhancing risk resilience. Meanwhile, the Group intensively cultivated its core business and accelerated transformation of its diverse businesses to consolidate our business fundamentals and sustain developmental resilience. Furthermore, the Group actively fulfilled social responsibilities by participating in community-level governance initiatives and embracing green development practices and partnered with stakeholders to create shared value, striving for long-term sustainable development across environmental, social, and corporate dimensions.

During the Year, the revenue and gross profit of the Group amounted to RMB13,867.2 million and RMB2,084.2 million, respectively. As at 31 December 2024, the GFA under management and contracted GFA of the Group were approximately 550.6 million sq.m. and 723.1 million sq.m., respectively.

FINANCIAL REVIEW

Revenue

The Group's revenue was derived from four major business lines: (i) property management services; (ii) property owners value-added services; (iii) city services; and (iv) extended value-added services.

For the year ended 31 December 2024, the Group's revenue amounted to RMB13,867.2 million (2023: RMB15,443.4 million), representing a decrease of 10.2% as compared with that of last year. Among which, revenue from property management services, property owners value-added services and city services businesses of the Group totalled RMB13,500.9 million, representing a year-on-year decrease of 7.1%, and accounting for 97.4% of the Group's total revenue.

	For the year ended 31 December				
	2024	**Percentage of revenue**	2023	Percentage of revenue	**Growth rate**
	(RMB million)	**%**	*(RMB million)*	%	%
Property management	**10,980.9**	**79.2%**	10,806.7	70.0%	1.6%
— Residential property projects	**4,562.1**	**32.9%**	4,544.2	29.4%	0.4%
— Non-residential property projects	**6,418.8**	**46.3%**	6,262.5	40.6%	2.5%
Property owners value-added services	**1,291.5**	**9.3%**	2,334.5	15.1%	-44.7%
City services	**1,228.5**	**8.9%**	1,387.4	9.0%	-11.5%
Subtotal:	**13,500.9**	**97.4%**	14,528.6	94.1%	-7.1%
Extended value-added services	**366.3**	**2.6%**	914.8	5.9%	-60.0%
— Sales centre property management services	**278.8**	**2.0%**	458.3	3.0%	-39.2%
— Other extended value-added services	**87.5**	**0.6%**	456.5	2.9%	-80.8%
Total	**13,867.2**	**100.0%**	15,443.4	100.0%	-10.2%

Property management services

Property management services, which include security, cleaning, greening, gardening, repair and maintenance, etc., are the main source of revenue of the Group.

During the Year, revenue from property management services amounted to approximately RMB10,980.9 million (2023: RMB10,806.7 million), representing a year-on-year increase of 1.6%. Among which, revenue from residential property projects amounted to RMB4,562.1 million (2023: RMB4,544.2 million), representing a year-on-year increase of 0.4%. Revenue from non-residential property projects amounted to RMB6,418.8 million (2023: RMB6,262.5 million), representing a year-on-year increase of 2.5%.

The breakdown of the Group's total GFA under management

As at 31 December 2024, the Group's total GFA under management was 550.6 million sq.m.. Among which, the GFA under management from third-party projects accounted for approximately 82.8%. Third-party projects accounted for the majority of the GFA of the Group.

The project portfolio for GFA under management

The Group's projects under management include residential property, public buildings and commercial and office buildings, etc. As at 31 December 2024, for the GFA under management of the Group in terms of business portfolio, residential property accounted for 46.1%, public buildings accounted for approximately 43.1%, and commercial buildings and others accounted for approximately 10.8%.

The geographic coverage for GFA under management

As at 31 December 2024, the number of Group's projects under management was 4,412 covering 30 provinces, municipalities and autonomous regions and 205 cities nationwide. The Group placed emphasis on business quality and continued to optimize its project structure during the Year by gradually withdrawing from underperforming projects and isolated cities characterized by low collection rates, low conversion efficiency and diminished profitability, so as to enhance project concentration and strengthen regional clustering advantages. As a result, the number of projects under management and the coverage of cities declined.

By region, 31.6% of the Group's GFA under management was located in the Yangtze River Delta region, 19.5% in the Guangdong-Hong Kong-Macao Greater Bay Area, 8.0% in the Shandong Peninsula city cluster, 7.9% in the Chengdu-Chongqing city cluster, while the remaining spread across other regions in the PRC.

The charging mode

The lump sum contract basis, primarily adopted by the Group, is conducive to improving service quality and operational efficiency.

The breakdown of the Group's total contracted GFA

The contracted GFA, which is defined by the Group as areas agreed in the contracts signed with property developers or property owners for providing property management services, includes delivered and to-be-delivered GFA (i.e. reserved GFA), and the reserved GFA will enlarge the Group's GFA under management and increase revenue source in the future.

As at 31 December 2024, the Group's contracted GFA was 723.1 million sq.m.. The contracted GFA from third-party projects accounted for approximately 80.5% of the total contracted GFA.

Property owners value-added services

Property owners value-added services mainly include living and comprehensive services, home improvement services, community space operation and other services, as well as value-added services to institutions and enterprises, which focus on improving the work and living experience of property owners and residents and preserving and increasing the value of their properties.

During the Year, the revenue from property owners value-added services amounted to approximately RMB1,291.5 million, representing a decrease of 44.7% as compared with RMB2,334.5 million in 2023, and accounting for approximately 9.3% of the total revenue.

(1) Living and comprehensive services include property maintenance, housekeeping, courtyard gardening, community retail, energy-saving renovation, express delivery, tourism, community second-hand leasing and sales services, comprehensive consulting services, etc. In 2024, revenue from living and comprehensive services amounted to approximately RMB458.7 million, representing a decrease of 65.8% as compared with RMB1,342.5 million in 2023, which was mainly due to adjustments to the community retail business model, with a focus on product profitability, which led to a significant year-on-year decrease in recognized revenue from certain retail products; year-on-year revenue decline in community second-hand leasing and sales services amid challenging market conditions; decrease in housekeeping business revenue attributable to business model adjustment in response to market demand changes by exiting some external partnerships to focus on self-operated business. Living and comprehensive services accounted for approximately 35.5% of revenue from property owners value-added services.

(2) Home improvement services primarily include decoration, turnkey furnishing and community renewal services, etc. During the Year, due to the continuous sluggish real estate market and the declined demand for home improvement business, the Group's revenue from home improvement services decreased by 55.0% year-on-year to RMB77.0 million, accounting for approximately 6.0% of revenue from property owners value-added services.

(3) Community space operation and other services primarily include club house operation services, property operation services, community-based advertising operation, parking lot management services and community asset operation, etc. In 2024, amid economic headwinds that depressed both volume and pricing in community-based advertising and leasing markets, the Group proactively enhanced asset utilization through independent reactivation of idle advertising resources, strategic leasing of premium venue spaces, and expansion of charging pile operations, strengthened quality management and operational standardization across space-related services to maintain collection rates and occupancy levels for existing business, thereby effectively mitigating the impact of the advertising market downturn. During the Year, revenue from community space operation and other services amounted to approximately RMB459.8 million, representing a decrease of 9.8% as compared with RMB509.9 million in 2023, and accounted for approximately 35.6% of the revenue from property owners value-added services, which was mainly due to the decreased demand for space rental and sales as affected by the economic environment.

(4) Value-added services to institutions and enterprises include featured value-added services for public buildings, such as catering, commuting services and material procurement services, as well as featured value-added services for commercial and office buildings, such as customized business platform for enterprises, conferencing services, centralised procurement and retailing for enterprises, etc. During the Year, revenue from value-added services to institutions and enterprises amounted to approximately RMB296.0 million, representing a decrease of 4.8% as compared with RMB311.0 million in 2023, which was primarily driven by revenue decline in certain business lines including group catering and vehicle rentals due to changes in customer demand and adjustments to expansion strategies. Value-added services to institutions and enterprises accounted for approximately 22.9% of revenue from property owners value-added services.

City services

City services mainly include street cleaning and maintenance, domestic refuse collection and transportation, refuse classification, landscaping and gardening maintenance, municipal facility maintenance, urban space operation, community coordination and governance, smart city management solutions, etc. Currently, the Group's city service projects are mainly divided into single project contracting model and integrated sanitation services, etc.

In 2024, the Group proactively adjusted projects with poor payment collection with a focus on the overall fee collection efficiency and project quality of city services, and deployed idle assets and equipment to expand new projects with high quality to maintain the overall scale and ensure operational stability. During the Year, revenue from city services amounted to approximately RMB1,228.5 million, representing a decrease of 11.5% as compared with RMB1,387.4 million in 2023, and accounting for approximately 8.9% of the total revenue.

Extended value-added services

Extended value-added services primarily include sales centre property management services and other extended value-added services for property developers.

During the Year, the Group recorded revenue from extended value-added services of approximately RMB366.3 million (2023: RMB914.8 million), representing a decrease of 60.0% from last year, and accounting for approximately 2.6% of the total revenue, which was mainly due to decreased demand for sales centre property management services and relevant services caused by sluggish real estate development and sales. Among which:

(1) Sales centre property management services (accounting for 76.1% of the revenue from the extended value-added services): the revenue for the Year amounted to approximately RMB278.8 million, representing a decrease of 39.2% as compared with RMB458.3 million in 2023.

(2) Other extended value-added services (accounting for 23.9% of the revenue from the extended value-added services): include property agency services and housing inspection services, etc. The revenue for the Year amounted to RMB87.5 million, representing a decrease of 80.8% as compared with RMB456.5 million in 2023.

Cost of sales

The Group's cost of sales primarily consists of employee benefit expenses, cleaning expenses, security charges, maintenance costs, utilities, greening and gardening expenses, cost of consumables, depreciation and amortisation charges and others.

During the Year, the Group's cost of sales was RMB11,783.1 million (2023: RMB12,797.9 million), representing a year-on-year decrease of 7.9%, which was primarily due to the decrease in extended value-added services and property owner value-added services business of the Group.

Gross profit and gross profit margin

	For the year ended 31 December				
	2024		2023		
	Gross profit *(RMB million)*	**Gross profit margin** %	Gross profit *(RMB million)*	Gross profit margin %	**Growth rate** %
Property management services	**1,538.5**	**14.0%**	1,769.5	16.4%	-13.1%
Property owners value-added services	**283.0**	**21.9%**	499.9	21.4%	-43.4%
City services	**193.8**	**15.8%**	231.9	16.7%	-16.4%
Subtotal:	**2,015.3**	**14.9%**	2,501.3	17.2%	-19.4%
Extended value-added services	**68.9**	**18.8%**	144.3	15.8%	-52.2%
Total	**2,084.2**	**15.0%**	2,645.6	17.1%	-21.2%

During the Year, the Group's gross profit amounted to RMB2,084.2 million, representing a decrease of 21.2% as compared with RMB2,645.6 million in 2023. Gross profit margin decreased by 2.1 percentage points to 15.0% from 17.1% in 2023. Among which, the total gross profit of property management services, property owners value-added services and city services was RMB2,015.3 million, representing a year-on-year decrease of 19.4%, and the gross profit proportion increased to 96.7% from 94.5% in 2023.

– The gross profit margin of property management services was 14.0% (2023: 16.4%), representing a decrease of 2.4 percentage points as compared with 2023, which was mainly due to the Group's sustained investment in primary level services and comprehensive upgrades to environment and facilities during the Year. Excluding the effect of amortization of intangible assets due to the merger and acquisition, the gross profit was RMB1,670.5 million and the gross profit margin was 15.2%.

– The gross profit margin of property owners value-added services was 21.9% (2023: 21.4%), representing an increase of 0.5 percentage points as compared with 2023.

- The gross profit margin of city services was 15.8% (2023: 16.7%), representing a decrease of 0.9 percentage points as compared with 2023, which was mainly due to the adjustments in business strategy to proactively phase out projects with higher gross profit margin yet poor payment collection.

- The gross profit margin of extended value-added services was 18.8% (2023: 15.8%), representing an increase of 3.0 percentage points as compared with 2023, which was mainly due to proactive adjustments made to the real estate-related business model in order to terminate low-efficiency projects with poor cash flow.

Selling and marketing expenses

During the Year, the Group's selling and marketing expenses amounted to RMB41.6 million (2023: RMB101.4 million), accounting for 0.3% of the revenue, and representing a decrease of 0.4 percentage point as compared with that of last year, which was mainly due to the adjustment of the expansion strategy to shift from scale development to quality-oriented development.

Administrative expenses

During the Year, the Group's administrative expenses amounted to RMB792.6 million, representing a decrease of 5.2% as compared with RMB836.4 million in 2023, and accounting for 5.7% of the revenue, representing an increase of 0.3 percentage point as compared with 2023.

Net impairment losses on financial assets

During the Year, the Group's net impairment losses on financial assets amounted to RMB4,329.3 million (2023: RMB534.8 million), representing an increase of 709.5% as compared with last year, which was mainly due to the impairment provisions resulting from the increased credit risk of the Group's related party and third parties related to real estate customers.

Other income

During the Year, other income of the Group amounted to RMB105.9 million (2023: RMB191.0 million), representing a decrease of 44.6% as compared with last year, which was mainly due to the change in tax credits and government grants.

Income tax

During the Year, the Group's income tax credit was RMB377.7 million (the income tax expense of 2023: RMB349.8 million). The income tax rate was 10.8% (2023: 33.4%). This was mainly due to income tax credits, changes in the external macro-environment and the Group's provision of significant impairment losses, with a corresponding deferred income tax.

Profit

During the Year, the Group's net losses was RMB3,126.9 million, and the net profit for the corresponding period in 2023 was RMB698.7 million, which was mainly attributable to an increase in the credit risk of the Group's related party customers and significant impairment losses made during the Year, as well as the downtrend pressure on margins of other business segments affected by the economic environment and improvement in service quality. Net profit margin was -22.5%, representing a decrease of 27.0 percentage points as compared with 4.5% in 2023.

Adjusted core net profit was RMB1,079.8 million, representing a decrease of 30.6% as compared with RMB1,555.4 million in 2023, and adjusted core net profit margin was 7.8%, representing a decrease of 2.3 percentage points as compared with 10.1% in 2023. The adjusted core net profit for property management services, property owners value-added services and city services was RMB1,049.7 million, representing a decrease of 28.2% as compared with RMB1,461.7 million in 2023, and the adjusted core net profit margin was 7.8%, representing a decrease of 2.3 percentage points as compared with 10.1% in 2023.

Current assets, reserve and capital structure

During the Year, the Group maintained a sound financial position. As at 31 December 2024, current assets amounted to RMB12,861.9 million, representing a decrease of 22.0% from RMB16,488.0 million as at 31 December 2023. As at 31 December 2024, cash and cash equivalents of the Group amounted to RMB3,315.9 million, representing a decrease of 18.6% from RMB4,074.9 million as at 31 December 2023. As at 31 December 2024, the Group's cash and cash equivalents were mainly held in Renminbi, Hong Kong dollars, United States dollars and Australian dollars.

As at 31 December 2024, the Group's total equity was RMB11,150.4 million, representing a decrease of RMB3,298.7 million or 22.8% as compared with RMB14,449.1 million as at 31 December 2023, which was primarily due to the significant impairment provision made during the year.

Property, plant and equipment

The Group's property, plant and equipment mainly comprise buildings, office equipment, machinery equipment and other fixed assets. As at 31 December 2024, the net value of the Group's property, plant and equipment amounted to RMB609.0 million, representing a decrease of 3.8% as compared with RMB632.8 million as at 31 December 2023.

Other intangible assets

As at 31 December 2024, the net book value of intangible assets of the Group was RMB913.8 million, representing a decrease of 21.9% as compared with RMB1,170.2 million as at 31 December 2023. Intangible assets of the Group mainly included (i) RMB28.9 million from the trademark value of member companies; (ii) RMB1,764.0 million generated from customer relationship and backlogs attributable to member companies; (iii) the software developed and purchased by the Group; and (iv) partially offset by amortization of trademarks, customer relationships and software. Trademarks, customer relationship and software had a specific validity period and were carried at cost less accumulated amortization.

Goodwill

The goodwill was primarily derived from the expected future developments of the member companies, expansion of market coverage, diversification of service portfolio, integration of value-added services and improvement of management efficiency.

During the Year, the Group recorded an impairment of goodwill in the amount of RMB246.2 million, which was primarily due to the fact that the non-wholly owned subsidiary of the Group engaged in city services voluntarily withdrew from certain projects with excessively long payment cycles, resulting in unsatisfactory revenue and profit. As at 31 December 2024, the Group's goodwill was RMB2,551.9 million after the aforesaid impairment, representing a decrease of 11.6% as compared with RMB2,887.0 million as at 31 December 2023.

Financial assets at fair value through profit or loss ("FVPL")

As at 31 December 2024, the Group's financial assets at FVPL amounted to RMB1,993.7 million, representing a decrease of 0.5% as compared with RMB2,003.4 million as at 31 December 2023.

Trade and other receivables and prepayments

As at 31 December 2024, trade and other receivables and prepayments (including current and non-current portions) amounted to approximately RMB8,346.8 million, representing a decrease of 25.0% from RMB11,130.4 million as at 31 December 2023. Among which, trade receivables amounted to approximately RMB8,426.2 million, representing an increase of 9.3% as compared with RMB7,707.5 million as at 31 December 2023, which was mainly due to the impact from the payment collection cycle, resulting in an increase of the balance of trade receivables. Other receivables amounted to approximately RMB3,811.7 million, representing an increase of 13.8% from RMB3,350.1 million as at 31 December 2023, which was mainly due to the increase of receivables from third parties.

Trade and other payables

As at 31 December 2024, trade and other payables (including current and non-current portions) amounted to approximately RMB6,372.0 million, representing a decrease of 4.7% as compared with RMB6,686.3 million as at 31 December 2023, which was mainly due to payment of amount due and cost control.

Borrowings

As at 31 December 2024, the Group had long-term borrowings of RMB290.8 million, among which RMB77.5 million will be repayable within one year. The Group also had short-term borrowings of RMB170.9 million with maturities of less than one year.

Gearing ratio

The gearing ratio is calculated as total borrowings divided by total equity, which is the sum of long-term and short-term interest-bearing bank borrowings and other borrowings as at the corresponding date divided by the total equity as at the same date. As at 31 December 2024, the gearing ratio was 4.1%.

Current and deferred income tax liabilities

As at 31 December 2024, the current income tax liabilities of the Group amounted to RMB464.5 million, representing a decrease of 19.4% as compared with RMB576.0 million as at 31 December 2023, which was mainly because of the decrease in profit. Deferred income tax liabilities decreased to RMB246.8 million from RMB313.2 million as at 31 December 2023.

Pledge of assets

As at 31 December 2024, the long-term borrowings amounting to RMB175.2 million and the short-term borrowings amounting to RMB81.0 million were secured by certain property, plant and equipment, investment properties and trade receivables of the Group. Details of the Group's pledge of assets as at 31 December 2024 are set out in notes 9, 10 and 12 to the annual financial information contained in this announcement.

Significant investment held, material acquisitions and disposals of subsidiaries, associates and joint ventures

There was no significant investment held, no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the Year.

Contingent liabilities

As at 31 December 2024, the Group had no significant contingent liabilities.

Key risk factors and uncertainties

The following content lists out the key risks and uncertainties confronted by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Industry risk

The Group's operations are subject to the economy of the PRC and changes in the macro environment of the real estate industry, as well as the regulatory environment and measures affecting the property management industry in the PRC. In particular, the Group's business performance primarily depends on the total contracted and revenue-bearing GFA, level of fees and the number of properties the Group manages, but the Group's business growth is, and will likely continue to be, subject to factors of macro development of the industry and the upstream industries.

Business risk

The Group's ability to maintain or improve the current level of profitability depends on the Group's ability to control operating costs (including labour costs), and the Group's profit margins and results of operations may be adversely affected by the increase in labour or other operating costs; should the Group be unable to procure new property management service contracts or renew existing management service contracts as planned or at desirable pace or price, the Group's revenue may also be adversely affected; should the Group be unable to collect property management fees from customers on time, it may incur impairment losses on receivables; the above may also affect the assessment and impairment risk of goodwill, the performance of operating cash flows and adversely affect the Group's financial position and results of operations.

Foreign exchange risk

The Group's businesses were principally located in the PRC. Except for bank deposits and financial assets at FVPL denominated in HK$, US$ and AUD$, the Group was not subject to any other material risk directly relating to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, take prudent measures and develop hedging strategy as appropriate to reduce foreign exchange risks.

Employees and remuneration policies

As at 31 December 2024, the Group had 86,873 employees (31 December 2023: 96,018). During the Year, total staff costs amounted to RMB5,697.6 million.

The compensation plan of the Group is determined with reference to the market levels as well as employees' performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides employees with a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training programs appropriate to the employees' needs.

Apart from taking into account the advice from the remuneration and appraisal committee of the Board and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company in determining the level of remuneration for the Directors. Appropriate benefit schemes are in place for the Directors.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

As at the date of this announcement, the Group did not have any significant event subsequent to 31 December 2024.

FINAL DIVIDEND

The Board proposed the distribution of a final dividend of RMB0.03 per share (before tax) for the year ended 31 December 2024 ("**Final Dividend**"), and the amount of which will be subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 28 May 2025 (the "**2024 AGM**"). Final Dividend payable to the holders of domestic shares of the Company will be paid in Renminbi, whereas Final Dividend payable to the holders of H Shares will be declared in Renminbi and paid in Hong Kong dollars (except for the holders of H Shares who became Shareholders through the Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets and the Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets, whose Final Dividend will be paid in Renminbi), the exchange rate of which will be calculated based on the average exchange rate of RMB against Hong Kong dollars published by The People's Bank of China five business days prior to the 2024 AGM. Subject to the approval of the 2024 AGM, the Final Dividend will be paid on or about Thursday, 10 July 2025.

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on 1 January 2008, and was amended on 24 February 2017 and 29 December 2018, the Provision for Implementation of Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) which took effect on 1 January 2008 and was amended on 23 April 2019, and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years to H Shareholders which are overseas non-resident enterprises (Please refer to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) for the definition of non-resident enterprises.), it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the Final Dividend as enterprise income tax, distribute the Final Dividend to non-resident enterprise Shareholders whose names appear on the H Shares register of members of the Company, i.e. including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprise Shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

In accordance with requirement of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) which was promulgated by the Ministry of Finance and the State Administration of Taxation and came into effect on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, as a foreign-invested enterprise, the Company will not withhold PRC individual income tax on behalf of overseas individual Shareholders whose names appear on the H Shares register of members of the Company when the Company distributes the dividends.

Final Dividend for Investors of Southbound Trading

For investors (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange through Shanghai Stock Exchange and Shenzhen Stock Exchange (collectively the "**Southbound Trading**"), the Company has entered into the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading with China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited or the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the investors for Southbound Trading, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depository and clearing system. The cash dividends of the investors of Southbound Trading will be distributed in Renminbi.

According to the provisions of the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Interconnected Mechanism for Trading on the Shanghai and Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號)), the income tax implications on dividends and bonuses received by Mainland individual investors, Mainland securities investment funds and Mainland enterprise investors are as follows:

(i) for Mainland individual investors, H share companies shall withhold the individual income tax for these investors at the tax rate of 20% on dividends and bonuses received by them from investing in H Shares listed on the Hong Kong Stock Exchange via Southbound Trading;

(ii) for dividends and bonuses received by Mainland securities investment funds from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the individual income tax shall be levied in accordance with the above provisions; and

(iii) for dividends and bonuses received by Mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the income tax on the Mainland enterprises shall not be withheld by the H share companies. The tax payable shall be declared and paid by the enterprises. For dividends and bonuses received by the Mainland resident enterprises after holding the H shares for 12 months continuously, the enterprise income tax will be exempted according to laws.

The record date and the date of distribution of cash dividends and other time arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares.

CLOSURE OF REGISTER OF MEMBERS FOR THE 2024 AGM

The 2024 AGM will be held on Wednesday, 28 May 2025 and for the purpose of determining the Shareholders' eligibility to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Friday, 23 May 2025 to Wednesday, 28 May 2025, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to qualify for attending and voting at the 2024 AGM, holders of H Shares whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 22 May 2025. The record date for determining the identity of holders of H Shares who are entitled to attend and vote at the 2024 AGM is Wednesday, 28 May 2025.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF FINAL DIVIDEND

Upon obtaining approval of the Shareholders at the forthcoming 2024 AGM, the Final Dividend will be payable to the Shareholders whose names appear on the register of members of the Company as at the close of business on Friday, 6 June 2025. For the purpose of determining the entitlement of holders of H Shares to the Final Dividend, the H Share register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of H Shares will be registered. The record date for determining the entitlement of holders of H Shares to the Final Dividend is Friday, 6 June 2025. In order for holders of H Shares to qualify for the proposed Final Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 2 June 2025.

NOTICE OF ANNUAL GENERAL MEETING

Notice of 2024 AGM will be published on the respective websites of the Company at www.agileliving.com.cn and the Hong Kong Stock Exchange at www.hkex.com.hk within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

REVIEW OF ACCOUNTS

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with Appendix C1 to the Listing Rules. The Audit Committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assisting the Board to fulfill its responsibility over the audit of the Group.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024 and reviewed with the management of the Group the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

The Audit Committee comprises Mr. Wang Gonghu, Mr. Weng Guoqiang and Mr. Li Jiahe who are independent non-executive Directors.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted a code for securities transactions by Directors and a code for securities transactions by supervisors of the Company (the "**Supervisors**") as its own codes of conduct governing Directors' and Supervisors' dealings in the Company's securities (the "**Securities Dealing Codes**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors and they have confirmed that they had complied with the Securities Dealing Codes during the year ended 31 December 2024.

The Company has also established written guidelines (the "**Employees Written Guidelines**") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules.

The Board reviewed the Company's corporate governance practices and is satisfied that the Company has been in full compliance with all the then applicable code provisions set out in the CG Code for the year ended 31 December 2024.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2024, the Company has no treasury shares.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group has no other future plans for material investments and capital assets as at 31 December 2024.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, for the year ended 31 December 2024 and as at the date of this announcement, the Company had maintained sufficient public float as required under the Listing Rules.

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

This annual results announcement is published on the respective websites of the Company at www.agileliving.com.cn and the Hong Kong Stock Exchange at www.hkex.com.hk. The annual report of the Company for the year ended 31 December 2024 containing all the information required under the Listing Rules will be made available on the above websites in due course. Printed copies will be despatched to the Shareholders who have elected to receive printed copies.

BOARD OF DIRECTORS

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*

By Order of the Board
A-Living Smart City Services Co., Ltd.*
CHAN Cheuk Hung/HUANG Fengchao
Co-chairman

Hong Kong, 28 March 2025

Scope of work of the auditor

*The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited ("**Grant Thornton**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Grant Thornton on this preliminary announcement.*

Any discrepancy between totals and sums of individual amounts listed in any table are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

* *for identification purposes only*