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众安集团
ZHONG AN GROUP

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2271)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2025	2024	Change
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Revenue	214,485	182,145	17.76%
Gross profit	65,484	57,711	13.47%
Profit for the period	10,904	14,260	-23.53%
Profit attributable to owners of the parent	11,419	14,354	-20.45%
Earnings per share attributable to ordinary equity holders of the parent – Basic and diluted	RMB2.21 cents	RMB2.77 cents	
	As at 30 June 2025	As at 31 December 2024	Change
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
Total assets	514,130	469,846	9.43%
Net assets	300,278	299,343	0.31%
Net assets value per share	RMB0.58	RMB0.58	0.00%

The board (the “**Board**”) of directors (the “**Directors**”) of Zhong An Intelligent Living Service Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period ended 30 June 2024 (the “**2024 Interim Period**”) as below:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	4	214,485	182,145
Cost of sales		<u>(149,001)</u>	<u>(124,434)</u>
GROSS PROFIT		65,484	57,711
Other income		474	2,581
Selling and distribution expenses		(766)	–
Administrative expenses		(38,364)	(37,353)
Impairment losses on financial assets, net		(10,503)	(3,862)
Finance costs		(390)	–
Share of profits and losses of associates		<u>30</u>	<u>–</u>
PROFIT BEFORE TAX	5	15,965	19,077
Income tax expense	6	<u>(5,061)</u>	<u>(4,817)</u>
PROFIT FOR THE PERIOD		<u>10,904</u>	<u>14,260</u>
Profit attributable to:			
Owners of the parent		11,419	14,354
Non-controlling interests		<u>(515)</u>	<u>(94)</u>
		<u>10,904</u>	<u>14,260</u>

		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	<u>RMB2.21 cents</u>	<u>RMB2.77 cents</u>
TOTAL COMPREHENSIVE INCOME, NET OF TAX, FOR THE PERIOD			
		10,904	14,260
Total comprehensive income attributable to:			
Owners of the parent		11,419	14,354
Non-controlling interests		<u>(515)</u>	<u>(94)</u>
		<u>10,904</u>	<u>14,260</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property and equipment		4,455	4,348
Intangible assets		52	70
Investment in an associate		87	57
Deferred tax assets		7,458	5,051
Total non-current assets		12,052	9,526
CURRENT ASSETS			
Inventories		702	719
Trade receivables	9	195,359	153,294
Due from related companies		81,316	104,625
Prepayments, other receivables and other assets		60,650	61,602
Cash and cash equivalents		164,051	137,178
Pledged deposits		–	2,902
Total current assets		502,078	460,320
CURRENT LIABILITIES			
Trade payables	10	20,227	24,530
Other payables, deposits received and accruals		72,832	57,433
Contract liabilities		48,523	49,950
Tax payable		27,866	32,980
Dividend payable		9,779	–
Deferred tax liabilities		2,534	2,241
Interest-bearing bank borrowings		8,000	–
Total current liabilities		189,761	167,134
NET CURRENT ASSETS		312,317	293,186
TOTAL ASSETS LESS CURRENT LIABILITIES		324,369	302,712
NON-CURRENT LIABILITIES			
Contract liabilities		4,091	3,369
Interest-bearing bank borrowings		20,000	–
Total non-current liabilities		24,091	3,369
NET ASSETS		300,278	299,343

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
EQUITY		
Equity attributable to owners of the parent		
Share capital	4,731	4,731
Reserves	<u>294,941</u>	<u>293,491</u>
	299,672	298,222
Non-controlling interests	<u>606</u>	<u>1,121</u>
TOTAL EQUITY	<u><u>300,278</u></u>	<u><u>299,343</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Corporate information

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

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

The Group is principally engaged in the provision of property management services, value-added services mainly to property developers and community value-added services in the People’s Republic of China (the “**PRC**”).

2. Basis of preparation and accounting policies

2.1 *Basis of preparation*

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim condensed consolidated financial information are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2.2 Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21 *Lack of Exchangeability*

The nature and impact of the revised IFRSs are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. Operating segment information

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

Geographical information

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

Information about major customers

For the six months ended 30 June 2025, revenue from Zhong An and its subsidiaries other than the Group (collectively “**the Remaining Zhong An Group**”) contributed 16.92% (for the six months ended 30 June 2024: 14.02%) to the Group's revenue. Other than the revenue from the Remaining Zhong An Group, no revenue derived from sales to a single customer or a group of customers accounted for 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024.

4. Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Property management services	186,521	153,423
Value-added services mainly to property developers	14,259	18,099
Community value-added services	13,705	10,623
	<hr/>	<hr/>
Total	214,485	182,145
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(a) Disaggregated revenue information

Types of services	Property management services	Value-added services mainly to property developers	Community value-added services	Total
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Six months ended 30 June 2025				
Geographical market				
Mainland China	<u>186,521</u>	<u>14,259</u>	<u>13,705</u>	<u>214,485</u>
Timing of revenue recognition				
Revenue recognised overtime	186,521	14,259	8,099	208,879
Revenue recognised at a point in time	<u>–</u>	<u>–</u>	<u>5,606</u>	<u>5,606</u>
	<u>186,521</u>	<u>14,259</u>	<u>13,705</u>	<u>214,485</u>

Types of services	Property management services	Value-added services mainly to property developers	Community value-added services	Total
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Six months ended 30 June 2024				
Geographical market				
Mainland China	<u>153,423</u>	<u>18,099</u>	<u>10,623</u>	<u>182,145</u>
Timing of revenue recognition				
Revenue recognised overtime	153,423	18,099	8,487	180,009
Revenue recognised at a point in time	<u>–</u>	<u>–</u>	<u>2,136</u>	<u>2,136</u>
	<u>153,423</u>	<u>18,099</u>	<u>10,623</u>	<u>182,145</u>

5. Profit before tax

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services provided	149,001	124,434
Impairment of trade receivables	10,503	3,862
Depreciation of items of property and equipment	478	460
Amortisation of intangible assets	18	18
Staff cost (excluding directors' and chief executive's remuneration):		
Wages and salaries	93,080	107,467
Pension scheme contributions and social welfare	12,737	14,680
Total	<u>105,817</u>	<u>122,147</u>

6. Income tax

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

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

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax-Mainland China		
Charge for the period	7,175	5,416
Deferred tax	(2,114)	(599)
	<hr/>	<hr/>
Total tax charge for the period	<u>5,061</u>	<u>4,817</u>

7. Dividend

On 5 June 2025, a final dividend for the year ended 31 December 2024 of RMB1.89 cents per ordinary share, amounting to approximately RMB9,779,000, has been approved by the shareholders at the annual general meeting for the Company (six months ended 30 June 2024: RMB12,653,000).

8. Earnings per share attributable to ordinary equity holders of the parent

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent of RMB11,419,000 (six months ended 30 June 2024: RMB14,354,000) and the weighted average number of ordinary shares of 517,414,000 (six months ended 30 June 2024: 517,414,000), for the purpose of computing basic earnings per share.

The calculations of basic earnings per share are based on:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent	<u>11,419</u>	<u>14,354</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period	<u>517,414,000</u>	<u>517,414,000</u>

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2025 (six months ended 30 June 2024: Nil).

9. Trade receivables

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

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 6 months	81,478	71,555
Over 6 months and within 1 year	32,567	28,601
Over 1 year and within 2 years	61,645	42,514
Over 2 years and within 3 years	<u>19,669</u>	<u>10,624</u>
	<u>195,359</u>	<u>153,294</u>

10. Trade payables

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

	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 3 months	17,670	22,822
3 to 12 months	1,982	1,532
12 to 24 months	478	170
Over 24 months	97	6
	<hr/>	<hr/>
	20,227	24,530
	<hr/>	<hr/>

11. Contingent liabilities

As of 30 June 2025 and 31 December 2024, the Group did not have any material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The Group is a reputable integrated property management service provider headquartered in Hangzhou with deep roots in Zhejiang province and the Yangtze River Delta Region. Through over 26 years of operations since our establishment in 1998, the Group has grown from a local property management service provider in Hangzhou to an integrated regional property management service provider with major presence in Zhejiang province.

According to China Index Academy, the Group has been listed on the list of the Top 100 Property Management Companies in China (中國物業服務百強企業) since 2016 and our ranking among the Top 100 Property Management Companies in China rose from 82nd in 2016 to 36th in 2025, reflecting the Group’s growing property management capabilities and overall strength.

In 2025, the Group was awarded one of China’s 2025 Top 100 Property Service Companies with Comprehensive Strengths (Rank 36 during the year), 2025 Annual Property Service Enterprise with Sense of Social Responsibility in China, and Development Potential TOP10, among other honors.

As of 30 June 2025, the Group had a total of 146 contracted projects with a contracted area of approximately 22.39 million sq.m., covering 22 cities and eight provinces in China. As of 30 June 2025, the Group had 138 projects under management, with area under management of approximately 20.69 million sq.m., covering 22 cities and seven provinces in China.

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

For the six months ended 30 June or as at 30 June								
	2025				2024			
	Number of	GFA under	Revenue	Percentage	Number of	GFA under	Revenue	Percentage
	projects	management (sq.m'000)			projects	management (sq.m'000)		
Residential properties	110	17,667	140,034	75.1%	96	15,361	111,910	72.9%
Non-residential properties	28	3,026	46,487	24.9%	27	2,669	41,513	27.1%
Total	138	20,693	186,521	100.0%	123	18,030	153,423	100.0%

Multi-dimensional strategic initiatives work in synergy to lay a solid foundation for the sustainable and healthy development of business.

Over the course of the Group's development, in addition to the efforts in managing residential property projects, we also focused on non-residential property projects comprising primarily commercial and office buildings, serviced apartments, industrial parks, public and other properties (such as office buildings of PRC governmental bodies, hospitals, schools and parks). In 2025, we successfully won the bid for the property services project of Deqing Moganshan General Airport, marking the extension of the scope of our non-residential service to the field of air transportation hubs. The management of the Group believes that the development of our non-residential property projects portfolio would enable the Group to provide more personalized and professional service offerings and enhance its service standards, which would in turn allow the Group to provide our customers with better quality services and elevate the Group's brand reputation and image. Meanwhile, we are actively developing new models for business expansion. Through strategic cooperation with enterprises under the State-owned Assets Supervision and Administration Commission, we lay the foundation for business growth.

During the Reporting Period, the Group focused its precise efforts on three major areas—service upgrading, business innovation, and cost optimization. Various initiatives were effectively implemented, providing strong support for enhancing operational quality and efficiency. In terms of service quality, the Group further advanced the establishment of service standardization and continuously strengthened its quality competitiveness. The Group compiled the Project Operation Manual and 42 SOP videos, reinforced implementation through a “online training + offline supervision” approach, and enhanced service transparency with regular measures such as daily and quarterly service reports. We fully implemented a three-tier quality control system, with the headquarters team working on the front line to ensure closed-loop problem rectification; further promoted and applied the smart service platform, accelerated the iteration and upgrade of robot applications, and empowered basic services.

In the value-added services segment, we actively pursued business innovation and opened up growth opportunities across diversified aspects. For asset operations, we adopted a systematic model to facilitate the efficient realization of inventory assets; for the retail business, leveraging the direct supply advantage of our own farms, we established a “farm-to-community” safe food chain to provide property owners with green and eco-friendly healthy agricultural products; we continued to expand platform-based services, with in-home offerings such as home improvement services, elderly-friendly renovations, and appliance cleaning progressing in an orderly manner; and we completed and upgraded the “light-asset + partnership” model for car wash stores, effectively enhancing owner engagement and operational efficiency through revitalizing site resources and attracting customers via high-frequency services.

In terms of cost control, digitalization and centralized operations worked in synergy to enhance efficiency. The information platform achieved an overall coverage rate of approximately 85%, with the usage rates of billing, inspection, and work order modules reaching 100%, approximately 94.6%, and approximately 92.3% respectively, significantly improving management efficiency. Remote fire protection data integration was realized, with a unified monitoring platform established at the headquarters. By building a real-time data collection and transmission mechanism covering key data of fire protection equipment across projects, we achieved multi-dimensional visualized management and monitoring of fire safety conditions. Energy-saving retrofits for basement lighting in multiple projects were completed, achieving an overall energy-saving rate of approximately 80.44%. The centralized procurement system was continuously optimized, fully leveraging the cost reduction advantages of economies of scale.

FUTURE OUTLOOK

Looking ahead, the Group will continue to uphold its core operational philosophy of “creating value through services”. Guided by the strategic principle of “returning to the essence of services and reshaping the quality-price matching system”, we will actively respond to industry transformation and market challenges. Building upon the operating results for the first half of 2025 and prevailing industry trends, we will drive the Company’s sustainable and sound development through the following initiatives:

I. Strategic Refinement and Business Upgrading

The Group will continue to deepen its strategic presence in the Yangtze River Delta region, further enhancing the service density and quality across its three core segments of residential, commercial office, and public buildings. By strengthening strategic cooperation with state-owned enterprises, we aim to expand the scope of diversified service offerings and actively advance the implementation of services in non-residential sectors such as transportation hubs, industrial parks, and commercial complexes, thereby enhancing the resilience of our business portfolio and diversifying revenue streams. We will continue to integrate existing value-added services, including community retail, home services, decoration and renovation projects, automotive care, and asset operations, while developing a one-stop community service platform focused on expanding diversified life services, such as childcare, cultural and tourism, home furnishing and delivery, community culture, canteens, laundry and care, and service stations, to build a community service ecosystem that covers all age groups, establish the “last-mile” lifestyle service chain, and enhance residents’ convenience and sense of belonging.

II. Quality Upgrade and Customer Experience Reshaping

We will comprehensively advance the “Service Quality Leap Scheme,” enhancing service quality across three key dimensions: demand responsiveness, service standards, and personnel training. By institutionalizing interactive mechanisms such as “General Manager Reception Day” and “Quality Improvement Month,” we will gain precise insights into and respond promptly to property owners’ needs. We will continue to refine the three-tier quality control system and standardized operating procedures (SOP), strengthen frontline service capabilities, and achieve dual improvements in customer satisfaction and service efficiency.

III. Technological Empowerment and Operational Efficiency Leap

The Group will further increase investment in the development of its smart Internet of Things platform and data middle platform capabilities, driving intelligent upgrades of scenarios such as fire safety, parking, and equipment management to significantly enhance operational efficiency and service responsiveness. By promoting the adoption of tools such as robotic applications and intelligent property management systems, we will establish 24-hour online service capabilities to improve both resident experience and management effectiveness. At the same time, we will continue to optimize centralized procurement and supply chain management, leveraging economies of scale to effectively mitigate rising cost pressures.

IV. Humanistic Values and Social Responsibility

We will continue to fulfill our corporate social responsibilities by advancing initiatives such as low-carbon park transformation, community culture development, and neighborhood mutual support, thereby deepening multi-stakeholder governance in collaboration with residents, government, and society, and further enhancing brand reputation and social trust. Looking ahead, the Group will remain steadfast in its strategic focus, leverage its solid operational foundation, and pursue continuous service innovation to establish the Company as a trusted, industry-leading smart lifestyle service brand, dedicated to creating long-term, stable, and sustainable value for shareholders, customers, and society.

FINANCIAL REVIEW

Revenue

For the Reporting Period, revenue of the Group amounted to approximately RMB214.5 million (2024 Interim Period: approximately RMB182.1 million), representing an increase of approximately 17.8% as compared with the 2024 Interim Period. The Group's revenue was derived from three major business lines: (i) property management services; (ii) value-added services mainly to property developers; and (iii) community value-added services.

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

	For the six months ended 30 June			
	2025		2024	
	(RMB in thousands, except for percentages)			
Property management services	186,521	87.0%	153,423	84.2%
Value-added services mainly to property developers	14,259	6.6%	18,099	10.0%
Community value-added services	13,705	6.4%	10,623	5.8%
Total	214,485	100.0%	182,145	100.0%

Property Management Services

During the Reporting Period, revenue from property management services amounted to approximately RMB186.5 million, representing an increase of approximately 21.6% as compared with approximately RMB153.4 million in the 2024 Interim Period. As at 30 June 2025, the Group had a total GFA under management of approximately 20.7 million sq.m., representing an increase of approximately 2.7 million sq.m. or 15.0% as compared with approximately 18.0 million sq.m. in the 2024 Interim Period. The increase was primarily attributable to the increase in business projects delivered by the Remaining Group.

A majority of our revenue from property management services is generated from services provided to properties developed by the Remaining Group. As at 30 June 2025, we had 64 properties under our management that were developed by the Remaining Group with a total GFA under the management of approximately 10.4 million sq.m..

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

	For the six months ended 30 June or as at 30 June							
	2025				2024			
	Number of projects	GFA under management (sq.m'000)	Revenue (RMB'000)	Percentage	Number of projects	GFA under management (sq.m'000)	Revenue (RMB'000)	Percentage
Remaining Group ⁽¹⁾	64	10,397	121,970	65.4%	57	8,862	98,270	64.1%
Joint ventures and associates of the Remaining Group ⁽²⁾	8	1,359	14,409	7.7%	6	881	9,426	6.1%
Independent third-party property developers ⁽³⁾	66	8,937	50,142	26.9%	60	8,287	45,727	29.8%
Total	138	20,693	186,521	100.0%	123	18,030	153,423	100.0%

Notes:

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

Our Geographical Presence

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

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

	For the six months ended 30 June			
	2025		2024	
	Number of projects	GFA under management (sq.m'000)	Number of projects	GFA under management (sq.m'000)
First-tier and second-tier cities	81	11,376	73	10,267
Third-tier cities	10	1,565	5	818
Other cities	47	7,752	45	6,945
Total	138	20,693	123	18,030

Note:

For the purpose of this table, “first-tier cities” include Guangzhou, “second-tier cities” include Hangzhou, Ningbo, Nanjing, Wuhan, Kunming, Hefei, Jiaxing and Qingdao; “third-tier cities” include Jinhua, Jiangyin and Wenzhou; and “other cities” include Lishui, Huzhou, Quzhou, Chuzhou, Chizhou, Xuzhou, Huaibei, Taizhou, Shaoxing and Zhoushan.

Portfolio of Properties under Management

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

The following table sets forth the total GFA under management for the periods indicated:

	For the six months ended 30 June or as at 30 June							
	2025				2024			
	Number of projects	GFA under management (sq.m'000)	Revenue (RMB'000)	Percentage	Number of projects	GFA under management (sq.m'000)	Revenue (RMB'000)	Percentage
Residential properties	110	17,667	140,034	75.1%	96	15,361	111,910	72.9%
Non-residential properties	28	3,026	46,487	24.9%	27	2,669	41,513	27.1%
Total	<u>138</u>	<u>20,693</u>	<u>186,521</u>	<u>100.0%</u>	<u>123</u>	<u>18,030</u>	<u>153,423</u>	<u>100.0%</u>

Value-added Services Mainly to Property Developers

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

During the Reporting Period, revenue from value-added services mainly to property developers amounted to approximately RMB14.3 million, representing a decrease of approximately 21.0% as compared with approximately RMB18.1 million in the 2024 Interim Period. The decrease was primarily attributable to the combined results of (i) a decrease of the sales office management services, and (ii) a decrease of the provision of sales office management services to the Remaining Group.

Community Value-added Services

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

During the Reporting Period, revenue from community value-added services was approximately RMB13.7 million, representing an increase of approximately 29.2% compared with approximately RMB10.6 million in the 2024 Interim Period. This increase was primarily due to the increase of revenue from common area management services and car parking space sales during the Reporting Period.

Cost of Sales

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

During the Reporting Period, the cost of sales of the Group was approximately RMB149.0 million, representing an increase of approximately 19.8% as compared with the 2024 Interim Period. The growth rate of cost of sales was slightly higher than that of revenue, mainly attributable to an increase in the area under management, resulting in a continuous increase in the corresponding costs.

Gross Profit and Gross Profit Margin

Based on the above mentioned factors, the gross profit of the Group was approximately RMB65.5 million for the Reporting Period, representing an increase of approximately 13.5% as compared with approximately RMB57.7 million in the 2024 Interim Period.

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

	For the six months ended	
	30 June	
	2025	2024
Property management services	29.1%	30.0%
Value-added services mainly to property developers	40.9%	41.2%
Community value-added services	39.5%	40.1%
Total:	<u>30.5%</u>	<u>31.7%</u>

The Group's gross profit margin was affected by the combined gross profit margin of the three segments of property management services, community value-added services and value-added services mainly to property developers. The gross profit margin decreased from approximately 31.7% for the 2024 Interim Period to approximately 30.5% in the Reporting Period. The decrease of gross profit margin was primarily due to the decrease in revenue of value-added services mainly to property development the increase in operational and maintenance costs.

Administrative expenses

Our administrative expenses reached approximately RMB38.4 million, representing an increase of approximately 2.7% from approximately RMB37.4 million for the 2024 Interim Period, which was lower than that of revenue. The administrative expense ratio (administrative expense divided by revenue) was 17.9%, representing a decrease of 2.6% compared to 20.5% of the 2024 Interim Period.

Income Tax Expenses

The income tax expenses of the Group increased by approximately 6.3% from approximately RMB4.8 million for the 2024 Interim Period to approximately RMB5.1 million for the Reporting Period. The effective income tax rate was 31.7% (2024 Interim Period: 25.3%).

Profit for the Period

As a result of the foregoing, the Group's net profit was approximately RMB10.9 million for the Reporting Period, representing a decrease of approximately 23.5% as compared with approximately RMB14.3 million for the 2024 Interim Period. The net profit margin was 5.1%, representing a decrease of 2.7% as compared to 7.8% for the 2024 Interim Period.

The profit attributable to the owners of the parent decreased by approximately 20.5% from approximately RMB14.4 million for the 2024 Interim Period to approximately RMB11.4 million for the Reporting Period.

The basic and diluted earnings per share attributable to ordinary equity holders of the parent were RMB2.21 cents per share (2024 Interim Period: RMB2.77 cents per share).

Trade receivables and prepayments, other receivables and other assets

As at 30 June 2025, trade receivables and prepayments, other receivables and other assets amounted to approximately RMB256.0 million, representing an increase of approximately 19.1% from approximately RMB214.9 million as at 31 December 2024, which was primarily attributable to the scale expansion and business growth of the Group.

LIQUIDITY AND CAPITAL RESOURCES

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

The Group's principal sources of liquidity come from the proceeds from our business operations. Most of the Group's cash and cash equivalents are denominated in RMB, the balance of which amounts to approximately RMB164.1 million as at 30 June 2025, representing an increase of approximately 19.6% from RMB137.2 million as at 31 December 2024.

As at 30 June 2025, the Group's current ratio (current assets divided by current liabilities) was 2.6 times (31 December 2024: 2.8 times). As at 30 June 2025, the Group had bank borrowings of RMB28.0 million and the gearing ratio (total borrowings divided by total equity) was 9.3%, which was at a low level.

Foreign exchange risk

Foreign exchange risk represents the risk to the Group's financial conditions and results of operations arising from fluctuations of foreign exchange rate. Substantially all of the Group's revenues and expenditures are denominated in RMB. As at 30 June 2025, the Group has not entered into any hedging transactions. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had no capital commitments.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 30 June 2025, the Company, its subsidiaries and associates did not have any financial guarantees, mortgage, guarantees for loans, nor other significant contingent liabilities.

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS

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

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events of the Group after the Reporting Period and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 2,866 employees in total (30 June 2024: 2,991 employees). The Group has adopted a system of determining employees' remuneration based on the performance of employees. The Group generally provides competitive remuneration packages to employees, including basic salaries, performance-based awards and year-end bonus. The Group also pays for social security insurance for its employees, including medical insurance, work-related injury insurance, endowment insurance, maternity insurance, unemployment insurance and housing funds. In terms of employee training, the Group provides continuous and systematic training to employees based on their positions and expertise to enhance their expert knowledge in property management and related fields.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), was held by the public at all times during the Reporting Period and as of the date of this announcement.

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

During the Reporting Period, neither the Company nor its subsidiaries have purchased, redeemed or sold any of its listed securities.

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividend for the Reporting Period (2024 Interim Period: nil).

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company and preserving the shareholders' interests as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practices.

To the best knowledge of the Directors, the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period. The Board will continue to review and monitor the Company's practices to maintain a high standard of corporate governance.

AUDIT COMMITTEE

The Company has set up an audit committee (“**Audit Committee**”) and adopted the terms of reference which complied with the CG Code. The chairperson of the Audit Committee is Mr. Chung Chong Sun. The other members are Mr. Liang Xinjun and Mr. Chiu Ngam. The Audit Committee comprised all of the three independent non-executive Directors. The Audit Committee has reviewed and discussed with the management of the Group the unaudited interim condensed consolidated financial information of the Company for the Reporting Period, including the accounting principles and practices adopted by the Group, and discussed financial related matters. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company, and considers the risk management and internal control systems to be effective and adequate. The condensed consolidated financial information for the Reporting Period has not been audited but has been reviewed by the Company's auditors, Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the board of Directors on 22 August 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding dealings in the securities of the Company by the Directors and the Company’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company’s securities.

The Shares were listed on the Stock Exchange on the Listing Date. Upon specific enquiry, all Directors confirmed that they have complied with the Model Code from the Listing Date to the date of this announcement.

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

The People’s Republic of China, 22 August 2025

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