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

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

Stock Code: 3319

LIFELONG CARING FOR YOU,

HEARTWARMING SERVICE TO CITY

Annual Report 2024

*For identification purposes only

VISION

Become a preeminent quality service provider in China

MISSION

Lifelong caring for you, heartwarming service to city

CORE VALUE

Inclusion and diversity;
Relentless pursuit of excellence;
Mutual benefit and common progress;
Value creation with concerted efforts

Corporate Profile

A-Living Smart City Services Co., Ltd. ("A-Living" or the "Company", together with its subsidiaries, collectively, the "Group") positions itself as a mid- to high-end provider of nationwide comprehensive property management services. The Group dedicates to providing high-quality and full-scenario services to property owners, undertaking the corporate vision of "becoming the preeminent quality service provider in China". Currently, the Group has developed four business lines, namely, property management services, property owners value-added services, city services and extended value-added services, with a nationwide coverage of 30 provinces, municipalities and autonomous regions, and has developed a balanced business portfolio layout covering residential properties, public buildings and commercial and office buildings. As at 31 December 2024, the Group's total contracted gross floor area ("GFA") increased to approximately 723.1 million sq.m. and the total GFA under management reached approximately 550.6 million sq.m.

On 9 February 2018, the Group successfully spun off from Agile Group Holdings Limited (雅居樂集團控股有限公司) ("Agile Holdings", and together with its subsidiaries, "Agile Group") and became the first property management company in the People's Republic of China (the "PRC" or "China") that officially spun off from a red-chip holding company to list on the H-Share market.

Contents

Corporate Information

BOARD OF DIRECTORS

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#
Mr. Li Jiahe#

* Executive Directors
** Non-executive Director
\# Independent Non-executive Directors

BOARD COMMITTEES

Audit Committee

Mr. Wang Gonghu *(Committee Chairman)*
Mr. Weng Guoqiang
Mr. Li Jiahe

Remuneration and Appraisal Committee

Mr. Weng Guoqiang *(Committee Chairman)*
Mr. Huang Fengchao
Mr. Li Dalong
Mr. Wang Gonghu
Mr. Li Jiahe

Nomination Committee

Mr. Huang Fengchao *(Committee Chairman)*
Mr. Li Dalong
Mr. Wang Gonghu
Mr. Weng Guoqiang
Mr. Li Jiahe

Risk Management Committee

Mr. Huang Fengchao *(Committee Chairman)*
Mr. Chan Cheuk Hung
Mr. Li Dalong
Mr. Wang Gonghu
Mr. Li Jiahe

Supervisory Committee

Mr. Liu Jianrong *(President of the Supervisory Committee, Employee representative Supervisor)*
Ms. Huang Zhixia *(Employee representative Supervisor)*
Mr. Wang Weiqiong *(Shareholder representative Supervisor)*
Mr. Zheng Jiancheng *(External Supervisor)*
Mr. Wang Shao *(External Supervisor)*

JOINT COMPANY SECRETARIES

Mr. Huang Jiayi
Mr. Li Kin Wai

AUTHORISED REPRESENTATIVES

Mr. Li Dalong
Mr. Huang Jiayi

AUDITOR

Grant Thornton Hong Kong Limited

Legal Advisors

as to Hong Kong law:

Sidley Austin

as to PRC law:

King & Wood Mallesons

PRINCIPAL BANKERS

Bank of China, Guangzhou Zhujiang Branch
Industrial and Commercial Bank of China, Zhongshan Sanxiang Wenchang Branch
Industrial and Commercial Bank of China, Lingshui Branch
Agricultural Bank of China, Sanxiang Branch
Agricultural Bank of China, Guangzhou Zhujiang Branch
China Construction Bank, Guangzhou Huacheng Branch

PRINCIPAL PLACE OF OFFICE IN THE PRC

35/F, Agile Center
26 Huaxia Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong Province, PRC
Postal Code: 510623

REGISTERED OFFICE IN THE PRC

Management Building, Xingye Road
Agile Garden, Sanxiang Town
Zhongshan
Guangdong Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Telephone: (852) 2980 1333
Facsimile: (852) 2861 1465

INVESTOR RELATIONS

Investor Relations Department
E-mail: ir@agileliving.com.cn
Telephone: (852) 2740 8921

WEBSITE

www.agileliving.com.cn

LISTING INFORMATION

Equity Securities

The Company's ordinary shares include only overseas listed shares (H shares) (the "Share").

Overseas listed shares (stock code: 3319) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Financial Calendar

Annual results announcement	:	Friday, 28 March 2025
2024 annual general meeting (the "2024 AGM")	:	Wednesday, 28 May 2025

Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following period:

To determine the shareholders of the Company (the "Shareholders") who are entitled to attend and vote at the 2024 AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Thursday, 22 May 2025
Period of closure of register of members	:	Friday, 23 May 2025 to Wednesday, 28 May 2025 (both dates inclusive)
Record date	:	Wednesday, 28 May 2025

To determine the Shareholders' entitlement to the final dividend (the "Final Dividend")

Ex-entitlement date for Final Dividend	:	Friday, 30 May 2025
Latest time for lodging transfer documents of shares	:	4:30 p.m. on Monday, 2 June 2025
Period of closure of register of members	:	Tuesday, 3 June 2025 to Friday, 6 June 2025 (both dates inclusive)
Record date	:	Friday, 6 June 2025

To qualify for attending and voting at the 2024 AGM and entitlement to the Final Dividend, shareholders of overseas listed shares of the Company must lodge all properly completed share transfer forms accompanied by the relevant share certificates with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than the above latest time for lodging transfer documents of shares.

Subject to the approval by the Shareholders in the 2024 AGM, the proposed Final Dividend will be paid on or about Thursday, 10 July 2025 to Shareholders whose names appear on the register of members of the Company on Friday, 6 June 2025.

Annual General Meeting

The 2024 AGM will be held on Wednesday, 28 May 2025. Notice of the 2024 AGM will be set out in the Company's circular dated 29 April 2025 and will be despatched together with this annual report to the Shareholders. Notice of the 2024 AGM and the proxy form will also be published on the Company's website (www.agileliving.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk).

Despatch of Corporate Communications

The Company will send printed copies of this annual report to the Shareholders in accordance with their indicated preference. This annual report is also published on the Company's website (www.agileliving.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's H share registrar, Tricor Investor Services Limited or by email to 3319-ecom@vistra.com. For Shareholders whose Shares are being held through intermediaries, they should inform their respective intermediaries to effect the change.

For environmental protection reasons, the Company encourages the Shareholders to view this annual report posted on the aforesaid websites where possible.

Financial Summary

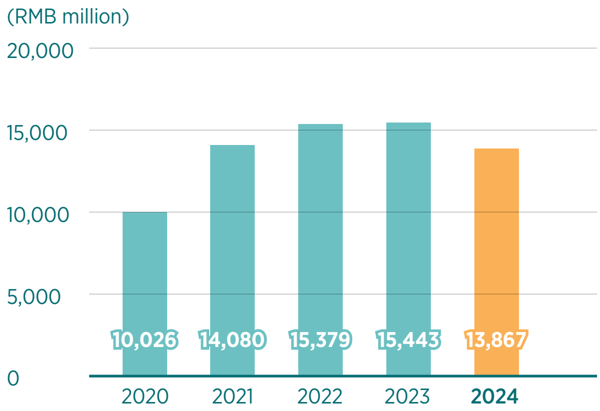
SUMMARY OF THE CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2024	2023
Revenue (RMB million)	**13,867**	15,443
Gross profit (RMB million)	**2,084**	2,646
Gross profit margin	**15.0%**	17.1%
Net (loss)/profit (RMB million)	**(3,127)**	699
Net profit margin	**(22.5%)**	4.5%
(Loss)/profit attributable to the Shareholders (RMB million)	**(3,271)**	461
Basic (loss)/earnings per share (RMB)	**(2.30)**	0.32

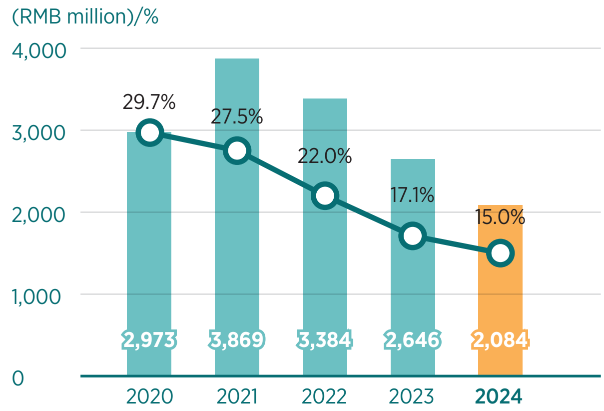
SUMMARY OF THE CONSOLIDATED BALANCE SHEET

	As at 31 December	
	2024	2023
Total assets (RMB million)	**20,247**	24,051
Cash and cash equivalents (RMB million)	**3,316**	4,075
Shareholders' equity (RMB million)	**11,150**	14,449
Return on shareholders' equity attribute to the Company	**(29.4%)**	3.6%
Total liabilities/Total assets	**44.9%**	39.9%

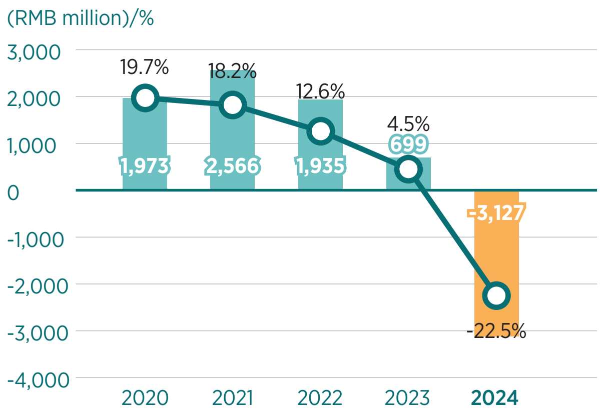
Revenue



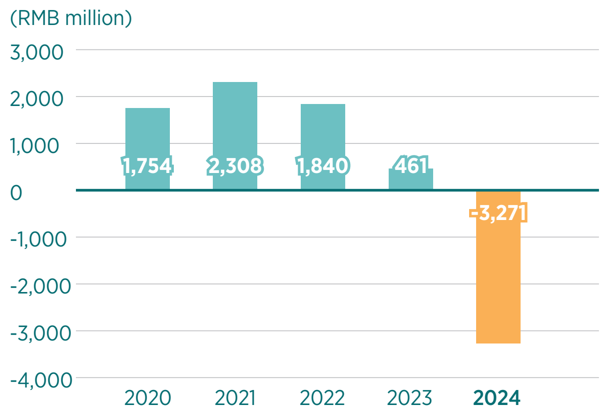
Gross profit and gross profit margin



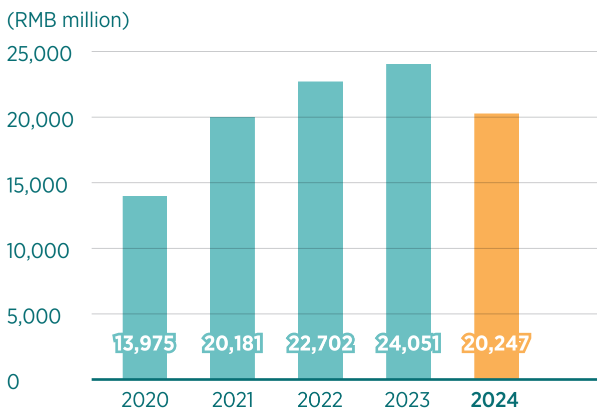
Net profit and net profit margin



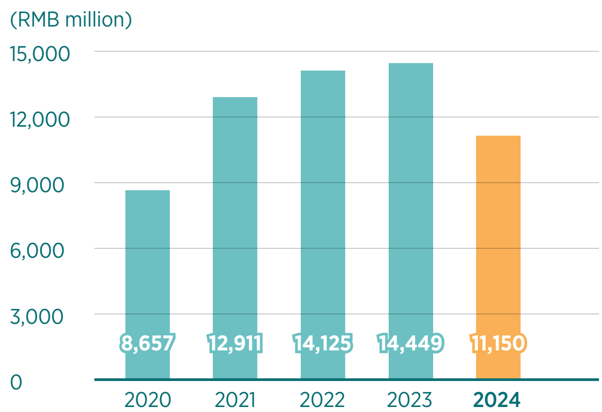
Profit attributable to the Shareholders of the Company



Total assets



Shareholders' equity



Major Events in 2024

1

A-living adheres to the belief of "service quality as its lifeline" and remains dedicated to creating service experiences with "quality commensurate with value". Throughout the Year, the Company consistently implemented a four-tier quality control system, conducting 5,367 self-inspections and corrective actions with an issue resolution rate exceeding 96%, while implementing quality upgrades and renovation of over 300 aging residential communities.

2

Leveraging our market-oriented first-mover advantages to concentrate on the public building market, the Group works steadily to increase presence density in high-tier cities and core city clusters, and consolidates our leading position in scale advantages. Throughout the Year, the Group has secured multiple high-quality projects with annualized contract values exceeding RMB10 million.

3

For property owners value-added services, the Group focused on core product categories, optimized product and service models, and strengthened the system and brand development of self-operated services and products. By focusing on strengthening the supply chain building and establishing direct cooperation with manufacturers, orchards and brands, the Group explored the source contracting model to enhance the competitiveness of its products.

4

For city services, the Group remained committed to building better cities by innovatively developing its "1316N" service model and actively exploring integrated innovative services such as greening initiatives and city management solutions. A prime example is the intelligent road cleaning and greening integrated services provided for the Hohhot Chilechuan Dairy Development Zone, which have effectively revitalized the urban landscape.

5

A-living has thoroughly implemented the integration strategy of "region-specific strategies", city-specific strategies" and "enterprise-specific strategies", emphasized platform-driven development and resource integration to facilitate synergistic growth among member companies while leveraging collective strengths.

During the Year, Longcheng Service and Yuehua Property celebrated their 30th anniversaries. As the core member companies, they have been deeply integrated with A-Living for over five years and empowered the Group's diversified business portfolio layout by expanding their business presence in the Greater Bay Area and nationwide public building services market.

6 Followed the guidance of Party building and the"Five-Party Co-building"model, the Group has forged a co-governance-oriented service model to implement "New Quality Service Capabilities." During the July 1st commemorative period, A-living partnered with over 100,000 community Party committees, neighborhood committees, property owners, and Party members across more than 100 cities, facilitating a red wave of Party building campaigns under "A-living Red City (雅心赤城)".

7 Drawing inspiration from art and culture, the Group cultivates a new lifestyle of refined community ethos and creates a new featured brand IP of "Aspirational Elegant Living" for community culture. During the Year, the Group held the first Owners Art Festival, empowering property owners to evolve from community activities participants to co-creators of urban artistic expression.

8 The Group continued to implement a series of activities of "Xiaoya Commune", and organized nearly 10,000 community activities centered on four major thematic activities, namely the Family Reunion Season, the Environmental Protection and Art Season, the LOHAS and Sports Season and the Love and Charity Season, attracting the active participation of over 1,000,000 property owners.

9 In September, Super Typhoons "Yagi" landed in Hainan and "Bebinca" struck Shanghai. The Group promptly established a Typhoon Preparedness Task Force and activated its emergency response plan and convened special meetings to deploy defense measures. All personnel in these regional offices were fully mobilized into typhoon combat readiness, with comprehensive preparations in personnel allocation, emergency supplies, contingency protocols, and duty rotations, so as to fully safeguard the lives and properties of property owners.

10 The Group launched the "Resilient Endeavor" cultural campaign nationwide to foster a surge of dedicated efforts and pragmatic actions and set exemplary models. Over 1,000 brand culture and employee caring activities were held across more than 50 cities throughout the Year, which attracted the participation of over 140,000 employees in first-tier cities and significantly enhanced the cohesion and centripetal force of the organization.

Major Recognition and Awards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1 The 5th of the "2024 Top 100 Property Management Companies in China"

2 2024 Leading Property Management Companies in Quality in China

3 2024 China Leading Companies with Market-oriented Operation in the Property Management Industry

4 2024 China Excellent Property Management Company in terms of ESG Development

5 2024 Leading Property Management Companies for Residential Properties in China

6 2024 Leading Property Management Companies for High-end Properties in China

7 2024 Excellent Property Management Company for Industrial Parks in China

8 2024 China Excellent Companies in terms of Office Building Properties

9 2024 China Excellent Property Management Companies in terms of Community Value-added Services

10 2024 China Excellent IFM Brand of Property Management Services

11 The 5th of the "2024 Top 100 Property Management Companies in terms of Comprehensive Capabilities in China"

12 2024 Top 100 Property Management Companies in terms of Brand Influence in China

13 2024 Property Management Companies for Exceptional Service Capabilities

14 2024 Property Management Companies for Digital Excellence

Chairman's Statement

Chan Cheuk Hung
Co-Chairman of the Board

Huang Fengchao
Co-Chairman of the Board

Dear Shareholders,

We are pleased to present the audited consolidated results of 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

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 (RMB million)	**Percentage of revenue %**	2023 (RMB million)	Percentage of revenue %	**Growth rate %**
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 15, 16 and 20 to the consolidated financial statements.

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 report, the Group did not have any significant event subsequent to 31 December 2024.

Business Development

The Group adheres to the corporate mission of "lifelong caring for you, heartwarming service to city", and focuses on service quality. The business involves property management services, property owners value-added services, city services and extended value-added services. The Group has developed comprehensive service capabilities covering diversified business portfolios, all operational scenarios, and the whole industry chain, striving to become a preeminent quality service provider in China.

In 2024, the Group focused on non-cyclical business while deeply cultivating its core property management service business. Centered on the needs of property owners, the Group attached importance to the improvement of service quality and operational quality, strengthened service capabilities in residential and non-residential projects, and effectively improved the service experience of property owners. Concurrently, sticking to the asset-light development strategy, the Group steadily optimized industrial layout with a high-quality sustainable development model. As for property owners value-added services, the Group proactively adapted to evolving consumption demands by appropriately adjusting its scale and operational model, with strategic focus on sustainable and non-cyclical essential businesses. For city services, the Group continued to focus on operational efficiency, improved its regional distribution, and transformed to asset-light service model. During the Year, the Group remained committed to the theme of "service for greater good" and stabilized its operation under the guidance of the development strategy of "brand enhancement, steady development, enhancing competence, facilitating integration".

MID-TO HIGH-END RESIDENTIAL BENCHMARK PROJECTS

Agile Mountain Guangzhou

Agile Royal Mount Zhongshan

Agile Haijing Xintian Clearwater Bay

BENCHMARK PUBLIC BUILDINGS AND COMMERCIAL AND ENTERPRISE SERVICE PROJECTS

Shanghai Natural History Museum

Guangdong Museum of Revolutionary History

Dalian Metro Line 5

Nanjing Foreign Language School

The People's Procuratorate of Guangdong Province

The High People's Court of Guangdong Province

Nanjing Zifeng Tower

Qianxi Square of Zhengzhou

BUSINESS SEGMENTS

Property management services

Property management services include security, cleaning, greening, gardening, repair and maintenance, etc. Property management service is one of the Group's core business segments and a major source of income.

Property owners value-added services

Property owners value-added services mainly include living and comprehensive services, home improvement services, community space and other services, and value-added services to institutions and enterprises. This business segment focuses on improving the work and living experience of property owners and residents at the properties under management and preserving and increasing the value of their properties.

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.

Extended value-added services

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

Investor Relations

The Group is dedicated to establishing a professional, open and efficient communication mechanism for investor relations. By upholding the principles of truthfulness, accuracy, completeness, timeliness and fairness, the Group disseminates information such as operating results, business development as well as other compliance information and disclosures to the capital market through a professional investor relations team in accordance with the rules and regulations for listed companies, so as to help investors understand its business performance and strategies.

The Group has proactively established diversified communication channels with shareholders, potential investors, and analysts. In 2024, the Group actively maintained close contact with shareholders, potential investors and analysts by holding the annual general meeting, organising annual and interim results investor presentations, and participating in roadshows, investor conference and summit and conducting one-on-one investor meetings. The Group provides regular, timely, accurate and complete information in compliance with the Listing Rules to enable shareholders and the public to understand the Company's operation, business development and value.

In terms of communication tools, the Group stays abreast of technological advancements and firmly believes that adopting digital methods to engage with shareholders and investors serves as an effective method for disseminating information promptly and conveniently. Through diversified channels such as live streaming, email communication and WeChat, the Group enhances the efficiency of information dissemination and continuously maintains communication with the capital market and the public.

In addition, the Group is committed to complying with relevant laws, regulations and regulatory requirements, and maintaining a high standard of information disclosure. Under all circumstances, the Group exercises prudence to ensure no selective disclosure of price-sensitive information. The Group's key corporate governance policies, terms of reference of Board committees, financial reports and announcements are available on the HKEXnews platform of the Stock Exchange of Hong Kong Limited or the Group's website.

The Group also continues to improve its internal processes and management mechanism for information disclosure and strives to improve the transparency and timeliness of information disclosure. By optimizing internal communication and collaboration, the Group has been strengthening information sharing and coordination among various departments, ensuring consistency and accuracy of information disclosure. In addition, the Group has established a stringent audit system to strictly verify the content of information disclosure to ensure the truthfulness and reliability of the information.

In the future, the Group will continue to proceed investor relations work with professionalism, efficiency and compliance, enhancing the public's understanding of, recognition on and trust in the Company. The Group believes that an effective, stable and diversified communication mechanism will help the capital market fully understand its investment value. The Company will continue to timely disseminate its corporate culture, business philosophy, development strategies and other information about its development to the market in compliance with the rules and regulations of listed companies, improve its investor relation and create value for shareholders.

Mr. Chan Cheuk Hung (陳卓雄), aged 67, has been re-designated as an executive Director and co-chairman of the Board with effect from 31 May 2018. Prior to such, he was a non-executive Director since 21 July 2017. He has been the co-chairman of the Board since 27 August 2017 and is a member of the risk management committee of the Board. Mr. Chan is responsible for the formulation of development strategies and provision of guidance for the overall development of the Group. He has been an executive director of Agile Holdings (stock code of Hong Kong Stock Exchange: 3383), since August 2005. Mr. Chan is an executive director and vice president of Agile Holdings and is mainly responsible for providing guidance for the overall operation of Agile Holdings. Mr. Chan is also a director of certain subsidiaries of the Company. Mr. Chan has over 32 years of experience in real estate development and related businesses.

Mr. Chan received various awards including pioneer worker (先進工作者) for the year of 1998 by Zhongshan Individual Workers Association (中山市個體勞動者協會) and Zhongshan Private Enterprise Association (中山市私營企業協會) and the Outstanding Contribution Award for Community Development (小區建設突出貢獻獎) in the Evaluation of the National Representative Well-off Residential Community (國家小康住宅示範小區評比) by the Ministry of Construction of the PRC (中華人民共和國國家建設部) in 2000. Mr. Chan also served as an executive director of the second council of Zhongshan Private Enterprise Association (中山市私營企業協會第二屆理事會) and the fourth council of the Zhongshan Individual Workers Association (中山市個體勞動者協會第四屆理事會) in 1999, and a director and executive director of Guangdong Real Estate Association (廣東省房地產業協會) in 2004.

Mr. Chan Cheuk Hung is the father of Mr. Chen Siyang, an executive Director.

Mr. Huang Fengchao (黃奉潮), aged 62, has served as an executive Director and the chairman of the Board of the Company since 21 July 2017, and has been the co-chairman of the Board since 27 August 2017. He is also the chairman of the nomination committee and the risk management committee of the Board, and a member of the remuneration and appraisal committee. Mr. Huang performed the duties of the president (general manager) and chief executive officer of the Company from 9 November 2018, and was officially appointed on 28 May 2019 and later resigned on 21 July 2020. Mr. Huang is also a director of certain subsidiaries of the Company. He is responsible for formulating the overall strategic development strategies and policies of the Group and monitoring their implementation. Mr. Huang has over 25 years of experience in real estate development and property management. Mr. Huang joined Agile Holdings in October 1999 and has successively served as a general manager of Zhongshan Agile Real Estate Development Co., Ltd. (中山市雅居樂房地產開發有限公司), head of the real estate management center of Agile Holdings and general manager of Guangzhou Nanhu Agile Real Estate Development Co., Ltd. (廣州南湖雅居樂房地產開發有限公司) and Guangzhou Huadu Agile Real Estate Development Co., Ltd. (廣州花都雅居樂房地產開發有限公司). Mr. Huang has been the vice president of Agile Holdings since January 2005 and has been responsible for the development of real estate projects across the country and property management. Mr. Huang has also served as president of the Hainan and Yunnan regions since 2008 and in charge of the tourism real estate development management. Mr. Huang has been serving as an executive director and vice president of Agile Holdings since March 2014.

Mr. Huang graduated from Guangdong Petroleum School (廣東石油學校) (now known as Guangdong University of Petrochemical Technology (廣東石油化工學院)) in the PRC in July 1983 majoring in turbine management.

Mr. Li Dalong (李大龍), aged 40, has been an executive Director, the president (general manager) and chief executive officer of the Company since 21 July 2020. He is also a member of each of the remuneration and appraisal committee, the nomination committee and the risk management committee of the Board. He was the chief financial officer from August 2016 to July 2020, the joint company secretary from August 2017 to July 2020, and the executive vice president from November 2019 to May 2020. He is responsible for overall strategic decisions, business planning and major operational decisions of the Group. Mr. Li is also a director of certain subsidiaries of the Company. He has over 20 years of experience in operations, finance, investment and capital markets.

Mr. Li has profound management experience as well as solid industry knowledge. Since the listing of the Group, he has been assisting the Board in formulating and implementing development strategies and highly enhanced the recognition of the Group in the industry and capital markets. Mr. Li has executed Group's strategy of industry consolidation and led the team completing several quality acquisitions including the acquisitions of A-Living Futurelife Property Management Services Limited (雅生活未來物業管理服務有限公司) (formerly known as CMIG Futurelife Property Management Limited (中民未來物業服務有限公司) and Minrui Property Management (Shanghai) Co., Ltd. (民瑞物業服務(上海)有限公司), to enhance the Group's business portfolio layout and to establish the leading advantages.

Prior to joining the Group, from November 2013 to June 2016, Mr. Li was a senior manager of the capital market department at PricewaterhouseCoopers (Hong Kong), an accounting firm, where he primarily provided a series of professional services in connection with capital markets transactions. From August 2005 to November 2013, Mr. Li successively served as auditor, senior auditor, manager and senior manager at PricewaterhouseCoopers Zhongtian LLP (Shanghai), an accounting firm.

Mr. Li is a member of the Chinese Institute of Certified Public Accountants in the PRC. He obtained his bachelor's degree in literature in July 2005, and second bachelor's degree in administration management in June 2005, from Shanghai Jiao Tong University (上海交通大學).

Mr. Chen Siyang (陳思楊), aged 40, has served as an executive Director of the Company since 21 July 2023, and has been the vice president of the Group since May 2023. He is in charge of the operation management center and market development center of the Group. Mr. Chen has extensive experience in corporate governance, operation management and market resource development.

Mr. Chen joined Agile Holdings in 2010 and has held key positions in Agile Holdings and its industrial groups. From June 2010 to July 2016, he successively served as cost commissioner, cost manager and cost director of Agile Holdings. From August 2016 to February 2017, Mr. Chen was in charge of investment and operational business in the Group. From March 2017 to May 2023, Mr. Chen successively served as the vice president of the construction group, the co-chairman of the board of the real estate construction management group and the vice president of capital investment group of Agile Holdings.

Mr. Chen Siyang is the son of Mr. Chan Cheuk Hung, an executive Director and co-chairman of the Company.

Ms. Yue Yuan (岳元), aged 49, has served as a non-executive Director of the Company since 29 May 2024. She is the vice president of Agile Holdings and its property group. Ms. Yue joined the Agile Group in 2006. She is mainly responsible for the management of the affairs of chairman office, the operation centre, cost procurement centre and human resources and administration centre of Agile Holdings. Ms. Yue served as a non-executive director of the Company from May 2019 to July 2023. Ms. Yue has served as an executive director and a member of each of the remuneration committee, the nomination committee and the risk management committee of Agile Holdings since December 2024.

Ms. Yue holds a Bachelor of Engineering degree from Lanzhou Jiaotong University (蘭州交通大學) in the PRC (formerly known as Lanzhou Railway University (蘭州鐵道學院)) and a Master of Science degree in Construction Project Management from the University of Hong Kong. She is a PRC intermediate economist, a PRC registered budgeting engineer and a member of the Royal Institution of Chartered Surveyors.

Mr. Wang Gonghu (王功虎), aged 50, has served as an independent non-executive Director of the Company since 21 July 2023. He is also the chairman of the audit committee of the Board, a member of each of the remuneration and appraisal committee, the nomination committee and the risk management committee of the Board. He was a supervisor of the Company from July 2020 to July 2023.

He is currently a deputy general manager of Tianneng Holding Group Strategic Capital Management Center (天能控股集團戰略資本管理中心). Mr. Wang served as the chairman of Suzhou Yangtze New Materials Co., Ltd. (蘇州揚子江新型材料股份有限公司) ("Suzhou Yangtze") (a PRC incorporated company of which the shares are currently listed on the Shenzhen Stock Exchange, stock code: 002652) from January 2021 to December 2022, and a director from January 2018 to December 2020. From July 2014 to December 2022, he had successively been a financial director, the chief financial officer, the chairman and the president of CMIG Futurelife Holdings Group Company Limited (中民未來控股集團有限公司), which is a substantial shareholder of the Group at a subsidiary level. From July 1997 to June 2014, he had respectively worked as a financial manager of Beijing Founder Electronics Co., Ltd. (北京北大方正電子有限公司), a financial director of Shanghai Hinge Software Co., Ltd. (上海和勤軟體技術有限公司), a deputy general manager of Copious Zhenjiang Fertilizer Co., Ltd. (科比斯鎮江肥業有限公司), a financial director of Shanghai QST Corporation (上海矽睿科技有限公司) and etc.

Mr. Wang is currently a senior accountant and a member of the Chinese Institute of Certified Public Accountants in the PRC.

Mr. Wang obtained his bachelor's degree in economics and management from Nanjing University in the PRC in 2002 and his master's degree in accounting from Shanghai University of Finance and Economics in the PRC in 2010.

On 14 November 2023, the Board learned that the China Securities Regulatory Commission (the "CSRC") has issued a formal decision of administrative penalties numbered [2023]75 (the "Decision of Administrative Penalties") against Suzhou Yangtze, and certain directors and senior management of Suzhou Yangtze, including Mr. Wang, regarding breach of securities laws and regulations. Based on the Decision of Administrative Penalties, from 2018 to 2020, Suzhou Yangtze had material omissions and falsely increased its revenue and made false disclosures in its 2018 to 2020 annual reports. Mr. Wang was the chairman of Suzhou Yangtze from September 2019 to October 2022 and signed the written confirmation for 2019 and 2020 annual reports in the capacity of the chairman of the board of Suzhou Yangtze, and was regarded as a directly responsible officer. The CSRC decided, among other decisions, to give a warning to and imposed a fine of RMB500,000 on Mr. Wang.

To the best knowledge and belief of the Board having made all reasonable enquiries, the Decision of Administrative Penalties is not related to the Group and the financial and operation positions of the Group will not be affected by the Decision of Administrative Penalties. In view that Mr. Wang has actively reported the relevant issues and cooperated with CSRC in its investigation, the Company considers that nothing has suggested that the Decision of Administrative Penalties will affect his suitability to act as an independent non-executive Director.

For further details, please refer to the announcement of the Company dated 14 November 2023.

Mr. Weng Guoqiang (翁國強), aged 64, has served as an independent non-executive Director of the Company since 21 January 2022. He is also the chairman of the remuneration and appraisal committee, a member of each of the audit committee and the nomination committee of the Board. He has extensive experience in the property management industry in Shanghai for over 25 years. He had served as a general manager of Shanghai Lujiazui Property Management Co., Ltd. (上海陸家嘴物業管理有限公司) from October 1999 to May 2008 and as a general manager of Wuxi Dongzhou Property Management Company Limited (無錫東洲物業管理有限公司) from May 2008 to December 2009. Mr. Weng had taken up the positions of general manager and subsequently executive director in Shanghai Tonglai Property Management Company Limited (上海同淶物業管理有限公司) from January 2010 to August 2024.

Mr. Weng currently serves as an independent non-executive director of Riverine China Holdings Limited (the shares of which are listed on the Hong Kong Stock Exchange (stock code: 1417)) since November 2017.

Mr. Weng was the vice president of China Property Management Institute (中國物業管理協會) from 2002 to September 2014. Since October 2014, he has been the senior consultant of China Property Management Institute. Since 1999, Mr. Weng has been the vice president of Shanghai Property Management Industry Institute (上海市物業管理行業協會) (during the period between 2016 and 2017 served as the chairman of Shanghai Property Management Industry Institute).

Mr. Weng graduated with a Bachelor degree in Applied Mathematics from the Tongji University in the PRC in July 1982 and a Master degree in Public Administration from the University of Macau in Macau in September 2003.

Mr. Weng was accredited as a National Vocational Qualification Level 2 Vocational Management Professional (國家職業資格二級職業經理人) in May 2003 and a Level 1 Senior Vocational Management Professional (一級高級職業經理人) in September 2004 by the Shanghai Vocational Skill Testing Authority (上海市職業技能鑒定中心). Mr. Weng was also accredited as a Certified Property Manager by the Personnel Department of Shanghai (上海市人事局) in October 2006 and an Advanced Economist (高級經濟師) by the Personnel Department of Jiangsu Province (江蘇省人事廳) in September 2009.

Mr. Li Jiahe (黎家河), aged 64, has served as an independent non-executive Director of the Company since 3 March 2023. He is also a member of each of the audit committee, the remuneration and appraisal committee, the nomination committee and the risk management committee of the Board. He has over 21 years of experience in property management related work. He had served as a manager of the finance department of Poly Development and Holdings Group Co., Ltd. (保利發展控股集團股份有限公司) (a company listed on Shanghai Stock Exchange under the stock code: 600048) ("Poly Holdings") from March 1993 to April 2000 and as a manager of the human resources department of Poly Holdings from September 2002 to January 2005. Mr. Li had served as a deputy general manager of Poly Property Services Co., Ltd. (保利物業服務股份有限公司) (formerly known as Poly Property Development Co., Ltd. (保利物業發展股份有限公司)) (a company listed on the Hong Kong Stock Exchange under the stock code: 6049) ("Poly Property") from May 2000 to August 2002, and as a general manager, a director and the chairman of Poly Property successively from January 2005 to April 2019. From May 2019 to August 2020, Mr. Li had served as an executive director and a member of the remuneration committee of Poly Property.

Mr. Li obtained a certificate of completion of corporate management (finance and investments) from Sun Yat-sen Business School (中山大學管理學院) in September 2004. Mr. Li was qualified as a property management manager in December 2005.

Biographies of Supervisors

Mr. Liu Jianrong (劉劍榮), aged 45, has served as a Supervisor and the president of the Supervisory Committee since 21 July 2020. He has been the general manager of the internal audit department of the Company since May 2018. Mr. Liu is also a supervisor of a subsidiary of the Company. Mr. Liu joined Agile Holdings in September 2015 as a senior manager of the internal audit department.

Prior to joining Agile Holdings, from July 2002 to September 2015, Mr. Liu served as an officer and a first-level police officer (deputy section-level) of the Tangxia police station in Tianhe District of Guangzhou Municipal Public Security Bureau.

Mr. Liu obtained the legal professional qualification certificate from the Ministry of Justice of the PRC. He obtained his bachelor's degree in international economic law in June 2002 from Nanjing University (南京大學).

Ms. Huang Zhixia (黃智霞), aged 42, has served as a Supervisor since 21 July 2017. She has been the administrative director of the Company since April 2015 and is responsible for administration. Ms. Huang is also a director or a supervisor of certain subsidiaries of the Company. Ms. Huang has over 19 years of experience in administration. Ms. Huang joined Agile Holdings in June 2004 as an administrative manager and was responsible for administration and management of Agile Holdings.

Ms. Huang graduated from Guangdong AIB Polytechnic College (廣東農工商職業技術學院) in the PRC with a major in e-commerce in June 2003 and graduated from Sun Yat-sen University (中山大學) in the PRC with a major in business management through online education in July 2013.

Mr. Wang Weiqiong (王衛瓊), aged 51, has served as a Supervisor since 29 May 2024. Mr. Wang has over 11 years of experience in the customized home furnishings industry. He has been the general manager of Zhongshan Shixing Decoration Co., Ltd. (中山市時興裝飾有限公司) ("Zhongshan Shixing") since 2015. Mr. Wang joined the Agile Group in 2007 as the administrative director of the Foshan Sanshui project. From August 2010 to January 2012, he served as the administrative manager of Zhongshan Shixing. From January 2012 to October 2015, he served as the assistant to the director of Agile Holdings.

Mr. Wang graduated from Beijing Normal University in the PRC in 1996 with a bachelor degree in moral and political education.

Mr. Zheng Jiancheng (鄭健程), aged 44, has served as a Supervisor since 21 July 2023. He has been the legal representative of Guangdong Zhuoguan Industrial Investment Co., Ltd. (廣東卓冠實業投資有限公司) since 2021. He worked as a director of the Government Project Management Center of Zhongshan Cuiheng New District (中山市翠亨新區政府項目管理中心) from 2015 to 2021. He worked as a standing deputy director of Urban Construction and Management Bureau of Sanxiang Town in Zhongshan City (中山市三鄉鎮城市建設和管理局) from 2009 to 2015.

Mr. Zheng holds the senior engineer qualification of constructional engineering management. He obtained his bachelor's degree in resources and environment and urban and rural planning management from Guangzhou University in the PRC in January 2009.

Mr. Wang Shao (王韶), aged 53, has served as a Supervisor since 21 August 2017.

Mr. Wang has been serving Guangdong Real Estate Association (廣東省房地產行業協會) since October 1994, and is currently the president where he is responsible for its overall management, including strategic planning, public relations and presiding the council meeting. Since June 2003, he has also served various positions in Southern Real Estate Magazine (南方房地產雜誌社), an affiliate to Guangdong Real Estate Association, where he is currently the president and is responsible for its overall management, including planning, management by objectives and communications and cooperations.

Mr. Wang currently serves as an independent non-executive director of Starjoy Wellness and Travel Company Limited (formerly known as Aoyuan Healthy Life Group Company Limited) (stock code of Hong Kong Stock Exchange: 3662).

Mr. Wang graduated from Sun Yat-sen University (中山大學) in the PRC majoring in real estate brokerage and management in June 1994, and his bachelor's degree in administration management from the same university in July 1999.

Mr. Wang is currently a managing director of China Real Estate Association (中國房地產業協會).

Ms. Zhao Yu (趙昱), aged 45, joined Agile Holdings in February 2007 and has since served as the vice general manager of Agile's city company in Xi'an. From 2013 to June 2020, she was the vice president of Agile Holdings in Western China Region. Since July 2020, Ms. Zhao Yu has been re-designated as the vice president of the Group and is responsible for assisting the chief executive officer of the Group with strategic management of the Group, and in charge of the business of city services, human resources and administration and brand management of the Group.

Ms. Zhao Yu obtained the certificate of human resources manager (national qualification class 1) of the PRC and bachelor's degree in business administration from Xi'an University of Technology (西安理工大學) in the PRC.

Mr. Wang Tao (王韜), aged 41, has been the vice president of the Group since July 2022. Since January 2024, he has served as the general manager of the operation management center of the Group, in charge of community commercial companies, and is responsible for coordinating the operation and management of the Group, community business and post-investment management. He served as the vice president of the public service company of the Group from October 2020 to December 2020, the general manager of the board secretary office from January 2021 to September 2021, the president of the community commercial service company from October 2021 to December 2021, the assistant to the president of the Group and the president of the community commercial company from January 2022 to June 2022, and the vice president of the Group and the president of the community commercial company, in charge of the investment management center, from July 2022 to December 2023. Mr. Wang is also a director of certain subsidiaries of the Company.

Mr. Wang has over 19 years of experience in finance, investment, post-investment management and capital markets, and has led and completed several mergers and acquisitions, IPO and capital market transactions. Before joining the Group, he was a partner of Gongqingcheng Dongxing Zhiming Investment Management Partnership (Limited Partnership) (共青城東興智銘投資管理合夥企業(有限合夥)) from October 2016 to September 2020, a vice president in investment of China Everbright Investment Co., Ltd. from October 2015 to September 2016. He was a senior manager of the capital market department at PricewaterhouseCoopers (Hong Kong) from October 2013 to February 2015 and successively served as auditor, senior auditor, manager and senior manager at PricewaterhouseCoopers Zhongtian LLP from August 2006 to September 2015.

Mr. Wang is a member of the Chinese Institute of Certified Public Accountants in the PRC. He obtained his bachelor's degree in management and statistics (second bachelor's degree) from Peking University (北京大學) in the PRC in July 2006.

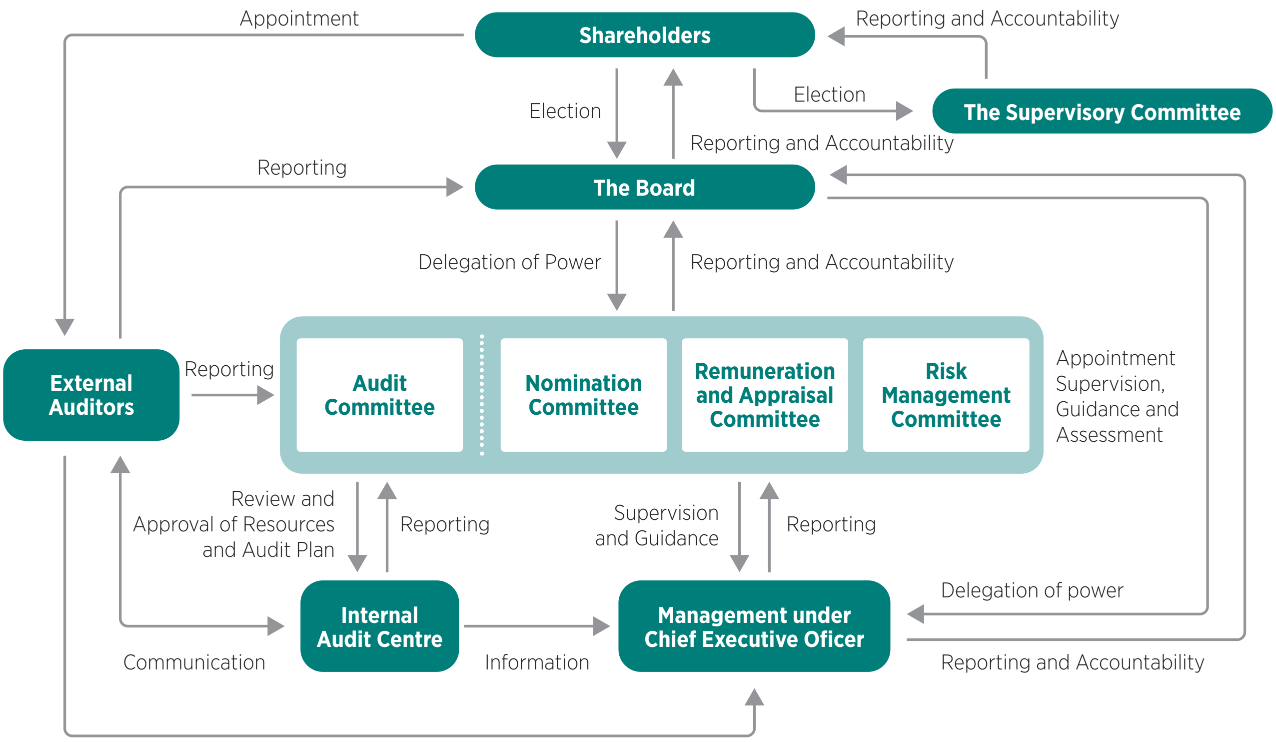
Mr. Huang Jiayi (黃嘉毅), aged 43, joined the Group in June 2022 as the Chief Financial Officer and has been the joint company secretary since November 2022. He is responsible for the capital markets, accounting and financial management and company secretarial affairs of the Group. Mr. Huang is also a director of certain subsidiaries of the Company. Prior to joining the Group, from September 2004 to January 2010, Mr. Huang successively served as auditor, senior auditor and audit manager at PricewaterhouseCoopers Zhongtian LLP (Shanghai). From January 2010 to November 2013, he successively served as finance manager, senior finance manager and district financial director of Shimao Group Holdings Limited (formerly known as Shimao Property Holdings Limited) (a company listed on the Hong Kong Stock Exchange under the stock code: 813). From November 2013 to June 2019, he successively served as group financial director and group financial deputy manager of Shanghai Yuanxing Huanyu Real Estate Group (上海遠星寰宇房地產集團) (formerly known as Red Star Macalline Real Estate Group (紅星美凱龍房地產集團)) and the chief financial officer of Red Star Aegean Business Group (紅星愛琴海商業集團). From July 2019 to June 2022, he served as the chief financial officer of Shanghai Zhidi Group (上海智杕控股集團).

Mr. Huang is a member of the Chinese Institute of Certified Public Accountants in the PRC. He obtained his bachelor's degree in finance in 2004 from Shanghai Jiao Tong University (上海交通大學) in the PRC and completed the Wharton&E-House (China) Real Estate Executive Program at the Wharton School of University of Pennsylvania in 2018.

Mr. Tan Zhiping (譚志平), aged 52, has been the vice president of the Group and the general manager of the quality management center since November 2024. He has been the assistant president of the Group and the general manager of the quality management center since January 2024. He has been the president of city services company from August 2020 to December 2023, the president of community business company from August 2019 to July 2020, the president of Josun asset management company from January 2019 to July 2019, the general manager of Guangzhou city company and Hainan city company of A-Living Properties from January 2018 to December 2018 respectively , the general manager of city company from April 2016 to December 2017, and the person-in-charge of Zhongshan area of A-Living Properties from April 2014 to March 2016, respectively. Mr. Tan joined Agile Property Services Co., Ltd. in January 2002 and served as project officer, deputy manager and project manager of Yajian Garden.

Mr. Tan graduated from Harbin Finance School in July 1995, majoring in financial management. In February 2012, Mr. Tan completed the executive program of business administration at Tsinghua University Graduate School of Business Administration in Shenzhen. In December 2019, he obtained a Master Degree in Business Administration from the Asia Metropolitan University.

CORPORATE GOVERNANCE STRUCTURE



The board of directors (the "Board") of A-Living Smart City Services Co., Ltd. (the "Company", together with its subsidiaries, the "Group") believes that good governance is essential for sustainable development and growth of the Company, enhancement of credibility as well as value of shareholders of the Company (the "Shareholders"). As such, the Board has adopted and reviewed corporate governance practices in light of the regulatory requirements and the needs of the Company. The Company is committed to maintaining a high level of corporate governance and adheres to the principles of integrity, transparency, accountability and independence.

The Board plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and the long-term sustainable Shareholders' value.

COMPLIANCE WITH CG CODE

The Company fully complied with 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2024.

THE BOARD AND MANAGEMENT

The Board takes Shareholders' interests as its priority in promoting and maintaining successful development of business so as to achieve consistent long-term financial returns, while taking due account of the interests of those with whom the Group does business and others. The Board is accountable for formulating the business and management directions of the Group and that they are managed in such a way as to achieve the objectives of the Company. The Board's responsibilities are to formulate corporate strategy and long-term business model of the Group and to monitor and control operating and financial performance in pursuit of strategic objectives of the Group.

The Board delegates day-to-day operations of the Group to the management of the Company. The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions.

Board Composition

The Company currently comprises eight Directors, consisting of four executive Directors, one non-executive Director and three independent non-executive Directors. The details of the Board composition are as follows:

Executive Directors

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)*

Non-executive Director

Ms. Yue Yuan

Independent Non-executive Directors

Mr. Wang Gonghu
Mr. Weng Guoqiang
Mr. Li Jiahe

The biographical information of the Directors and the relationship amongst them, if any, are set out in the section headed "Biographies of Directors" on pages 31 to 35 of this annual report.

Co-chairman and Chief Executive Officer

The co-chairman of the Board of the Company (the "Co-chairman") provides leadership for the Board and ensures the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Co-chairman is also responsible for formulating the overall development strategies and policies of the Group and monitoring their implementation. Meanwhile, the chief executive officer of the Company (the "Chief Executive Officer") shall be delegated the authority by the Board to lead the senior management of the Company (the "Senior Management") for the daily operation and business management of the Group in accordance with the objectives, directions, and risk management and internal control policies laid down by the Board.

The applicable code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of the co-chairman of the Board have been assumed by Mr. Chan Cheuk Hung and Mr. Huang Fengchao while the president (general manager) and chief executive officer of the Company has been assumed by Mr. Li Dalong.

Independent Non-executive Directors

Independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decisions. They are experienced professionals in areas such as financial accounting and financial management. Their extensive experiences significantly contribute to enhancing the decision-making of the Board and achieving a sustainable and balanced development of the Group. In particular, they bring impartial views and opinions on issues of the Company's strategy, performance and control, and take the lead in solution where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of Directors, non-executive Directors and independent non-executive Directors in particular, to the Board and ensures constructive relationship among executive Directors, non-executive Directors and independent non-executive Directors.

During the year ended 31 December 2024 (the "Year"), the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

The applicable code provision B.2.2 of the CG Code states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors is engaged on a service agreement (for executive Directors and non-executive Directors) or an appointment letter (for independent non-executive Directors) for a term of three years and their re-election are subject to the provisions of the Company's articles of association (the "Articles of Association"), no Directors are required to be re-elected at the forthcoming annual general meeting of the Company.

Ms. Yue Yuan has been appointed as the non-executive Director with effect from 29 May 2024. She obtained the legal advice referred to as set out in Rule 3.09D of the Listing Rules on 28 May 2024 and confirmed that she understood her obligations as a Director.

Board and Board Committee Meetings

The Board meets at least four times each year. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the next year will be presented to all Directors in the last Board meeting of the year so that they can have a better arrangement for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The joint company secretaries of the Company (the "Joint Company Secretaries") assist the Co-chairman in preparing the agenda of regular Board meetings and circulate the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the Joint Company Secretaries after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

Each Director shall have access to the Senior Management and the Joint Company Secretaries and they may also seek independent professional advice at the expense of the Company. Any matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the Joint Company Secretaries to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring that the Board procedures and all applicable rules and regulations are observed.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will answer any enquiry made by the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss.

The minutes of the Board meetings and Board committees meetings are drafted and kept by the Joint Company Secretaries. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The Joint Company Secretaries will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after holding of the meetings.

During the Year, the Board held a total of four meetings. Each Director's attendance record for the Board meetings, Board committee meetings and general meetings is set out as follow:

	Board Meetings			
	Number of meetings eligible to attend	**Attendance in person**	**Attendance by proxy**	**Absence**
Mr. Chan Cheuk Hung *(Co-chairman)*	4	3	1	0
Mr. Huang Fengchao *(Co-chairman)*	4	4	0	0
Mr. Li Dalong (President *(General Manager) and Chief Executive Officer)*	4	4	0	0
Mr. Chen Siyang *(Vice President)*	4	4	0	0
Mr. Xu Yongping *(resigned on 29 May 2024)*	2	2	0	0
Ms. Yue Yuan *(appointed on 29 May 2024)*	2	2	0	0
Mr. Wang Gonghu	4	4	0	0
Mr. Weng Guoqiang	4	4	0	0
Mr. Li Jiahe	4	4	0	0

	Audit Committee Meetings			
	Number of meetings eligible to attend	**Attendance in person**	**Attendance by proxy**	**Absence**
Mr. Wang Gonghu *(Committee Chairman)*	2	2	0	0
Mr. Weng Guoqiang	2	2	0	0
Mr. Li Jiahe	2	2	0	0

	Remuneration and Appraisal Committee Meetings			
	Number of meetings eligible to attend	**Attendance in person**	**Attendance by proxy**	**Absence**
Mr. Weng Guoqiang *(Committee Chairman)*	1	1	0	0
Mr. Huang Fengchao	1	1	0	0
Mr. Li Dalong	1	1	0	0
Mr. Wang Gonghu	1	1	0	0
Mr. Li Jiahe	1	1	0	0

	Nomination Committee Meeting			
	Number of meetings eligible to attend	**Attendance in person**	**Attendance by proxy**	**Absence**
Mr. Huang Fengchao *(Committee Chairman)*	1	1	0	0
Mr. Li Dalong	1	1	0	0
Mr. Wang Gonghu	1	1	0	0
Mr. Weng Guoqiang	1	1	0	0
Mr. Li Jiahe	1	1	0	0

	Risk Management Committee Meetings			
	Number of meetings eligible to attend	**Attendance in person**	**Attendance by proxy**	**Absence**
Mr. Huang Fengchao *(Committee Chairman)*	2	2	0	0
Mr. Chan Cheuk Hung	2	1	1	0
Mr. Li Dalong	2	2	0	0
Mr. Wang Gonghu	2	2	0	0
Mr. Li Jiahe	2	2	0	0

	General Meetings			
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Chan Cheuk Hung *(Co-chairman)*	3	2	1	0
Mr. Huang Fengchao *(Co-chairman)*	3	3	0	0
Mr. Li Dalong *(President (General Manager) and Chief Executive Officer)*	3	3	0	0
Mr. Chen Siyang *(Vice President)*	3	3	0	0
Mr. Xu Yongping *(resigned on 29 May 2024)*	2	2	0	0
Ms. Yue Yuan *(appointed on 29 May 2024)*	1	0	1	0
Mr. Wang Gonghu	3	3	0	0
Mr. Weng Guoqiang	3	3	0	0
Mr. Li Jiahe	3	3	0	0

All the executive Directors, non-executive Directors and independent non-executive Directors have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the Year. In addition to attending the meetings of the Board and its committees, each Director has allocated sufficient time on reviewing materials provided by the Company from time to time. Furthermore, each member of the Audit Committee also spent sufficient time on reviewing internal audit reports provided by the internal audit centre. The Co-chairman met once with the independent non-executive Directors without the presence of other Directors.

Training and Support for Directors

The Company has established procedures for training and development of Directors. Newly appointed Directors will be provided with comprehensive, formal and tailored induction and legal advice on the first occasion of his/her appointment and, subsequently, necessary briefing and professional development so as to ensure the Directors have adequate understanding and strengthen their awareness of the business and operation of the Group, their responsibilities and obligations under the statutory and common laws, the Listing Rules, laws and other regulatory requirements and governance policies, enabling the Directors to discharge their duties properly. The Joint Company Secretaries maintain proper records of training attended by the Directors.

During the Year, the summary of training received by the Directors is as follows:

Directors	Training Matters (Note)
Executive Directors	
Mr. Chan Cheuk Hung *(Co-chairman)*	A, B
Mr. Huang Fengchao *(Co-chairman)*	A, B
Mr. Li Dalong *(President (General Manager) and Chief Executive Officer)*	A, B
Mr. Chen Siyang *(Vice President)*	A, B
Non-executive Directors	
Mr. Xu Yongping *(resigned on 29 May 2024)*	A, B
Ms. Yue Yuan *(appointed on 29 May 2024)*	A, B
Independent Non-executive Directors	
Mr. Wang Gonghu	A, B
Mr. Weng Guoqiang	A, B
Mr. Li Jiahe	A, B

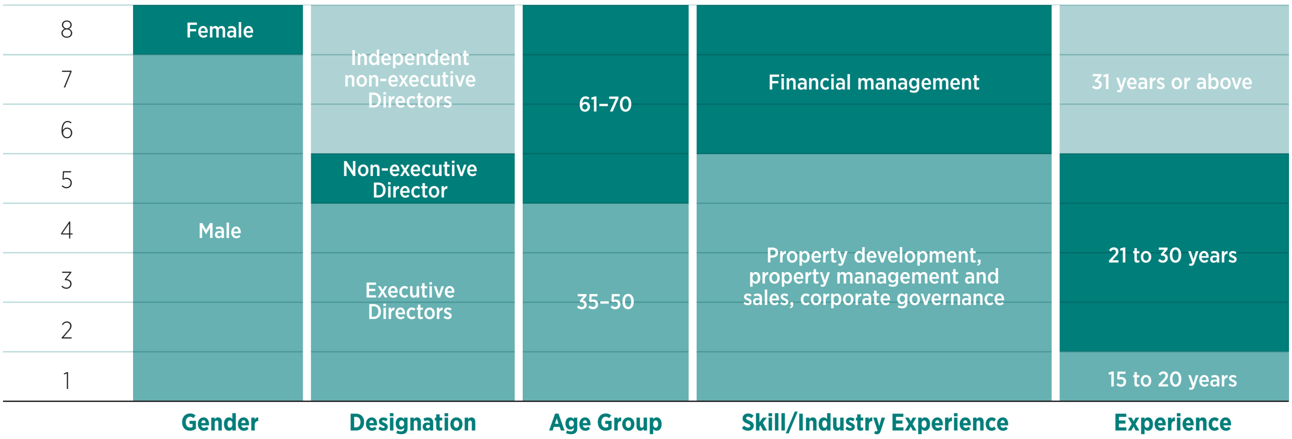
Note: A. corporate governance
B. regulatory requirements

Board Diversity

In order to achieve a diversity of perspectives among members of the Board, the Company has formulated a policy to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include but are not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

An analysis of the current Board composition is set out in the following chart:

Number of Directors



As at the date of this report, the Board comprises eight Directors, one of which is female. The Company targets to avoid a single gender Board and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

Gender Diversity of Employees

On 31 December 2024, the Group had 40,414 female employees, accounting for 46.52% of the total; and 46,459 male employees, accounting for 53.48% of the total. Among the Senior Management (excluding the Directors), 3 were male and 1 was female.

To narrow and eliminate gender pay gaps, the Group provides equal opportunities and treatment for employees of different genders, and promotes a corporate culture of diversity and inclusion.

Board Independence

During the Year, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Nomination Committee considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

(a) Three out of the eight Directors are independent non-executive Directors, which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors and all of them continue to devote adequate time to the Company.

(b) The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive Director before appointment. All independent non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.

(c) Independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

(d) All Directors are encouraged to express their views in an open and candid manner during the Board/Board Committee meetings.

(e) Annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the Chairman to listen independent views on various issues concerning the Group.

(f) A Director (including independent non-executive Director) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.

(g) No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.

Dividend Policy

On 28 March 2023, the Board approved and adopted a revised dividend policy of the Company, pursuant to which the payment and amounts of dividends (including final dividend and special dividend, if any) depend on the results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends paid by the Company, future prospects and other factors which the Board considers relevant.

Nomination Policy

According to the Nomination Policy of the Company, the Nomination Committee will consider the following major factors when nominating suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as directors at general meetings.

— gender, age, race, language, cultural and educational background, industry experience and professional qualification;

— effect on the Board's composition and diversity;

— commitment of the candidate to devote sufficient time to effectively carrying out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;

— potential/actual conflicts of interest that may arise if the candidate is selected;

— independence of the candidate; and

— in the case of a proposed re-appointment of an independent non-executive Director, the number of years he/she has already served.

Nomination Procedures

During the Year, after receiving a list of candidates, recommended by members of the Board, for the replacement and appointment of new Directors, the Nomination Committee requested the candidate to provide his biographical information and other information deemed necessary. The Nomination Committee reviewed and took reasonable steps to verify the information obtained from the candidate and seek clarification, where required. The Nomination Committee may, at its discretion, invite any candidate to meet with the Nomination Committee members to assist them in their consideration of the proposed nomination or recommendation. The Nomination Committee then submitted its nomination proposal to the Board for consideration and making recommendation to the Shareholders for approval.

Directors, Supervisors and Senior Management Liability Insurance

The Company has arranged appropriate insurance covering the potential legal actions against its Directors, Supervisors and Senior Management in connection with the discharge of their responsibilities.

BOARD COMMITTEES

The Company has established four Board Committees, namely, the Remuneration and Appraisal Committee, the Nomination Committee, the Audit Committee and the Risk Management Committee. All Board Committees of the Company are established with specific written terms which deal clearly with their authority and duties. The terms of reference of each of the Board Committees are posted on the Company's website (www.agileliving.com.cn) and The Stock Exchange of Hong Kong Limited's (the "Hong Kong Stock Exchange") website (www.hkex.com.hk) and are available to the Shareholders upon request.

The list of the chairman and members of each Board committee is set out under the section headed "Corporate Information" on page 2 of this annual report.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of five members, namely Mr. Huang Fengchao (executive Director), Mr. Li Dalong (executive Director), Mr. Wang Gonghu (independent non-executive Director), Mr. Weng Guoqiang (independent non-executive Director) and Mr. Li Jiahe (independent non-executive Director). Mr. Weng Guoqiang is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Remuneration and Appraisal Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy, as well as to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

Remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment. In determining remuneration of Directors and Senior Management, the Board will consider the remuneration level of comparable companies, the time commitment and responsibilities of the Directors and Senior Management and employment conditions elsewhere in the Group, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration.

During the Year, the Remuneration and Appraisal Committee held a meeting, the agenda of which was mainly (i) to confirm the remuneration of executive Directors, non-executive Director and independent non-executive Directors for 2023; (ii) to discuss and determine the recommendation on the remuneration adjustments of executive Directors, non- executive Director and independent non-executive Directors for 2024; and (iii) to discuss and determine the proposal on the remuneration of the Senior Management for 2024.

Details of the 5 individuals with the highest emoluments are set out in note 8(d) to the consolidated financial statements. During the year ended 31 December 2024, none of the directors and chief executive, or any of the non-director and non-chief executive highest paid employees waived or agreed to waive any remuneration.

The remuneration of the members of senior management by band for the Year is set out below:

Emolument bands (in HK$)	**Number of members of senior management**
HK$500,001 — HK$1,000,000	1
HK$1,000,001 — HK$1,500,000	2
HK$1,500,001 — HK$2,000,000	1

Nomination Committee

The Nomination Committee consists of five members, namely Mr. Huang Fengchao (executive Director), Mr. Li Dalong (executive Director), Mr. Wang Gonghu (independent non-executive Director), Mr. Weng Guoqiang (independent non-executive Director) and Mr. Li Jiahe (independent non-executive Director). Mr. Huang Fengchao is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Nomination Committee are to review the Board composition, to identify individuals suitably qualified to become Board members, to make recommendations to the Board on the appointment, re-appointment and succession planning of Directors, to assess the independence of independent non-executive Directors and to review the Board diversity policy and the nomination policy of the Company.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience, etc. The Nomination Committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expense of the Company.

During the Year, the Nomination Committee held a meeting, the agenda of which was mainly (i) to assess the independence of the independent non-executive Directors; and (ii) to consider and review the structure, number of members and composition of the Board.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Wang Gonghu, Mr. Weng Guoqiang and Mr. Li Jiahe. Mr. Wang Gonghu is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Audit Committee are to review accounting policy, to monitor the performance of the Company's external auditor and the internal audit centre, to review financial information, to oversee the financial reporting system, risk management and internal control systems, to consider and review the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and to report the results to the Board. The Audit Committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

During the Year, the Audit Committee held two meetings, the agenda of which mainly includes the following:

— reviewing annual results of 2023 and annual report of 2023, interim results of 2024 and interim report of 2024;

— reviewing audit and review reports of the auditors, recommendation reports of internal control and management;

— discussing and reviewing internal control management reports, audit monitoring plans and audit timetables of the internal audit centre;

— reviewing the continuing connected transactions;

— considering the re-appointment of external auditor of the Company, and discussing the change of external auditor;

— reviewing the resources of accounting and financial reporting functions of the Group;

— reviewing the effectiveness of the Company's internal audit function; and

— reviewing staff malpractices monitoring reports.

The Audit Committee meets with the external auditor, at least once annually, in the absence of management, to discuss matters relating to its audit fees, any issue arising from the audit and any other matters the auditor may wish to raise. The Audit Committee and the Board have no disagreement in relation to the recommendation of the re-appointment of Grant Thornton Hong Kong Limited as the external auditor.

External Auditors

At the 2023 annual general meeting of the Company, the Shareholders approved the re-appointment of Grant Thornton Hong Kong Limited as the auditor of the Group. For the year ended 31 December 2024, remuneration paid and payable to Grant Thornton Hong Kong Limited in relation to audit and non-audit services is detailed as below:

	2024 **RMB**	2023 RMB
Fee for audit services	**5,550,000**	5,550,000
Fee for non-audit services:		
— Other permitted services	**–**	30,000
	5,550,000	5,580,000

Risk Management Committee

The Risk Management Committee consists of five members, namely Mr. Chan Cheuk Hung (executive Director), Mr. Huang Fengchao (executive Director), Mr. Li Dalong (executive Director), Mr. Wang Gonghu (independent non-executive Director) and Mr. Li Jiahe (independent non-executive Director). Mr. Huang Fengchao is the chairman of the Risk Management Committee.

The major duties of the Risk Management Committee are to consider and formulate risk management framework, to review and assess the effectiveness of the Group's risk management framework, to monitor the implementation of risk control and ensure it is effectively implemented.

During the Year, the Risk Management Committee held two meetings, the agenda of which is set out below:

— discussing and reviewing internal control management reports, monitoring plans and timetables of the internal audit centre; and

— reviewing the changes of nature and extent of major risks and the response measures.

CORPORATE GOVERNANCE FUNCTIONS

The Audit Committee is delegated by the Board to perform the functions set out in the code provision A.2.1 of the CG Code contained in Appendix C1 of the Listing Rules. The terms of reference of the Audit Committee include (1) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (2) to review and monitor the training and continuous professional development of directors and senior management of the Company; (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and (5) to review the Company's compliance with the code and disclosure in the Corporate Governance Report of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group considers that effective risk management is of high importance for the Group to achieve sustainable development and long-term business success.

Responsibilities of the Board and the Management

The Board recognises its responsibilities to evaluate and determine the nature and level of risks to be exposed of for achieving the Group's strategic objectives, and to ensure that the Group establishes and maintains applicable and effective risk management and internal control systems, and to oversee the management in design, implementation and monitoring of the risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for designing, implementing and monitoring the risk management system and the internal control system, and provides the recognition of the effectiveness of risk management and internal control to the Board.

Risk Management

The design, implementation and maintenance of the risk management system

1) **Establishing the Risk Management Committee:** The Board has established the Risk Management Committee to oversee the design, implementation and maintenance of the risk management system of the Group and has issued the "Terms of Reference of the Risk Management Committee":

   — Authorizing the Risk Management Committee and define its duties: the Risk Management Committee's duties regarding risk management and its authorisation have been recognised in the "Terms of Reference of the Risk Management Committee";

   — Determining the organisation of the Risk Management Committee: providing the composition and quorum, requirements of the attendance at meetings, frequency of meetings and the manner of meetings; and

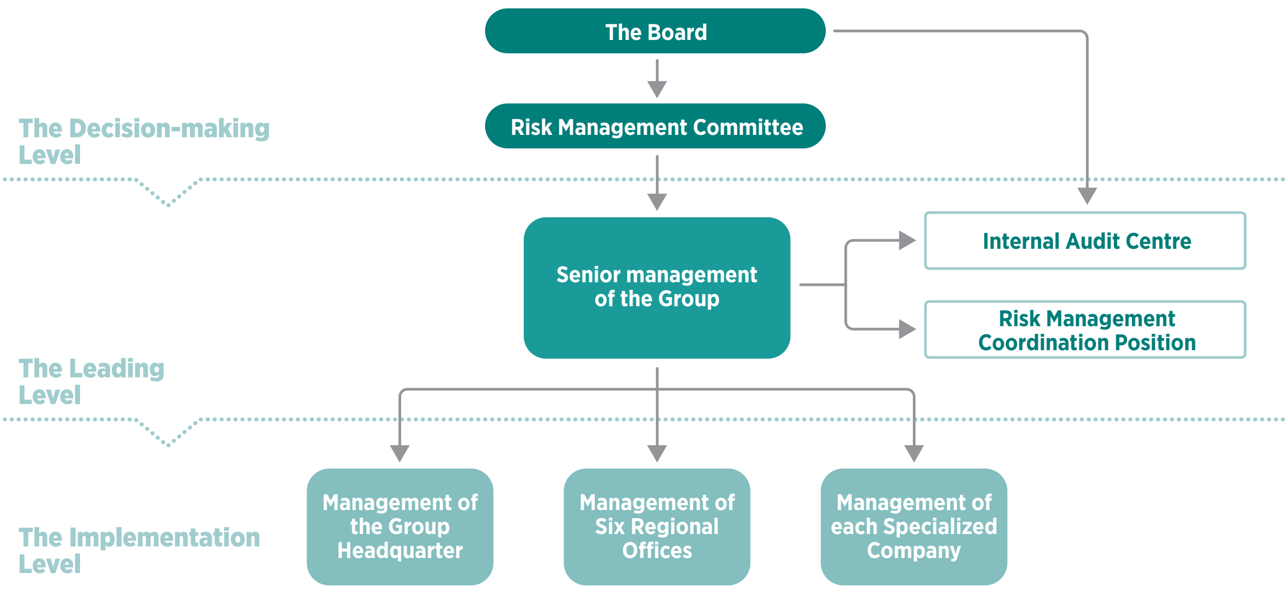
   — Determining the procedure of reporting to the Board: stipulating the time of reporting to the Board by the Risk Management Committee, including the minutes mechanism.

2) **Establishing the structure of the risk management organisation:** It has built up the official risk management organisation structure from the level of the Group to its subsidiaries (see figure 1 below: risk management organisation chart of the Company), and confirmed the direct management obligation of risk management and the risk information reporting procedure and frequency, and clarified the responsibilities of risk management positions, including integrating the requirement of risk management into the functional description of each position. The main features of the risk management organisation structure comprised:

— Clear levels and responsibilities: the levels of risk management organisation included the Risk Management Committee at the decision-making level, with the composition of leading level and implementation level and carrying out the division of the duties of risk management. It has confirmed the direct management obligation and the risk information reporting procedure and frequency;

— The wide span of level: the structure of risk management organisation is from the senior management of the Group to its managements of six regional offices and specialized company; and

— Specific communication mechanism: it has confirmed that the management of each level communicate with each other with regard to the responsibilities, reporting procedure and reporting frequency of the risk management.



(Figure 1: risk management organisation chart of the Company)

The roles and major responsibilities of different levels under the risk management structure are shown below:

The roles in the risk management structure	Major responsibilities
The Board (decision-making level)	— To evaluate and determine the nature and extent of the risks that the Group willing to take in achieving the strategic objectives — To ensure that the effective risk management and internal control systems are established and maintained — To oversee management in the design, implementation and monitoring of the risk management and internal control systems
The Risk Management Committee (decision-making level)	— To review and formulate the framework of risk management — To review and assess the effectiveness of the framework of the risk management of the Group on a regular basis — To coordinate and assist the Group's senior management in promoting risk management works — To oversee each business segment for setting up and implementing risk response programme and measures — To report any material risk management matters and recommend solutions to the Board — To monitor the frequency of major control failures or weak points, resulting in the extent of unforeseen consequences or emergencies which have caused, may have caused or will cause material impact on the financial performance or condition of the Company
The senior management of the Group (leading organisation)	— To carry out risk assessment from the Group's holistic perspective and each business segment, in order to formulate risk management measures — To design, implement and monitor the risk management and internal control systems — To confirm the effectiveness of risk management and internal control systems to the Board
The Group headquarter and the management of its subsidiaries (implementation organisation)	— To formulate and implement the relevant risk response programme of their business segment — To promote and implement specific risk management measures — To monitor and control different risks of their business and adjust risk management measures in time

The roles in the risk management structure	Major responsibilities
The Internal Audit Centre	— To coordinate the commencement of risk recognition and assessment — To prepare periodic risk assessment report and propose the summary of the report to the risk management leading team — To organise and coordinate risk management training and guidance — To act as the risk management monitoring organisation and be responsible for overseeing and evaluating risk management works implemented by the Group and its subsidiaries
The risk management coordination position	— The Office of the Secretary of the Board acts as the role of risk management coordination, including organising Risk Management Committee meetings and preparing minutes for record

3) **Establishing a systematic risk management system structure,** which comprised the following main elements and features:

- Comprehensive framework of risk management: the model of risk management framework has been established as the risk management system foundation (see figure 2 below for details: the model of risk management) including the main elements such as risk management strategies, risk management process and risk management basic structure;

- Clear risk management procedure: the risk management procedure includes recognition, analysis, response, monitor and control, and summarizing and reporting, which form a closed loop to control and manage the risks continuously; and

- Appropriate standard of risk assessment for the Group: according to the industry nature and operation features, strategic objectives of the Group as well as the risk preference of management, set up the applicable dimension and standard of risk assessment to each business segment. By using mutually agreed assessment method and standard, carry out assessment to the risks which are most likely to affect the achievement of corporate objectives in order to obtain the risk assessment result which is actually fitted with corporation.

Risk Management Strategies:
Building up Senior Management's foundation of risk management, determining the acceptability of the nature and extent of risks and establishing risk management frame

Risk Management Process:
Establishing the steps and instruments and monitoring and reporting procedure of risk management

Foundation of Risk Management:
Organisation, staff and technologies required in order to support, facilitate and promote the commencement of risk management of the Group

(Figure 2: The model of risk management)

Through the above efforts, the Group has clarified direct management obligation of risk management and risk information reporting procedure and frequency, and established an official risk management framework which recognises, analyses, evaluates and determines procedure of corporate risks to integrate with and control risks systematically.

The commencement of risk assessment for the Group in 2024

Based on risk management system of the Group as mentioned above, the Senior Management, with the assistance from external advisory bodies, sustained its intensive risk management works in 2024.

Management has adopted a systematic evaluation to review the changes of nature and extent of major risks, recognised material risks exposed, streamlined the current condition of risk control and the next response measures and key risk management program, and reported to the Risk Management Committee with the assessment result.

The Risk Management Committee, on behalf of the Board, reviews and assesses the changes of nature and extent of major risks. It has finished the review of risk management system. The Risk Management Committee reviewed and reported the results to the Board, and suggested that with the rapid growth of the Group's business scale, the increasingly diversified business development and the continuous changes in the market environment, the Group's risk management system should be considered in a broader and comprehensive perspective, the framework of risk management should be continuously optimized, and all related departments of the Group should be linked up to enhance the workflow of risk management in order to support the development of the innovative business of the Group. Management will report major risks control formally to the Risk Management Committee on a half-yearly basis, strengthen the effectiveness of risk management system and broaden the scope of risk management so as to identify other potential risks situation.

THE INTERNAL CONTROL

The Board is responsible for formulating proper internal control system for the Group to safeguard the assets of the Group and the interests of the Shareholders. The Audit Committee shall conduct regular review on the effectiveness of the internal control system to ensure that the system is adequate.

The internal audit centre of the Group is accountable and reports directly to the Audit Committee. It is responsible for constantly monitoring the work flow and risk assessment of each department of the Group, to assist the Board and Senior Management in complying with the regulatory requirements and guidelines, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the internal audit centre shall ensure the effective operation of the internal control system.

In order to standardise information management works, the Board has formulated an information management system (the "System"). The System includes procedures and internal controls for the handling and dissemination of inside information. The System provides, including but not limited to, the procedures of the obligation and execution of the management and publication of inside information, confidentiality arrangement, collection and evaluation of information and the manner of publication to ensure timely reporting of inside information to the Board and communication with the Group's stakeholders.

During the Year, the internal audit functions have been carried out under the leadership of the Board and the Audit Committee. The Audit Committee reviewed the effectiveness of internal control system of the Group in respect of finance, operation, compliance and business matters and reported the results to the Board. Should any material fault or any material weakness in monitoring is found, the internal audit centre will report the same to the Audit Committee in timely manner.

The Group shall review the efficiency of the internal control system at least twice every year to ensure the effectiveness and adequacy of the system.

WHISTLEBLOWING POLICY

The Company has established a whistleblowing policy where employees and third parties can report any suspected improper, corrupt, or non-compliant behavior of the Group's employees, customers, and suppliers to the internal audit centre of the Group through email, an anti-corruption hotline, letters, or other means while maintaining confidentiality. The internal audit centre regularly reports any findings to the Audit Committee.

ANTI-CORRUPTION POLICY

The Company has established an anti-corruption policy that details the requirements for preventing, controlling, and providing feedback on anti-corruption, anti-bribery, and anti-money laundering activities. The internal audit centre of the Group is responsible for supervising the Group's anti-corruption efforts and conducting anti-corruption training sessions, as well as investigating complaints related to suspected corrupt behavior.

THE REVIEW AND SUMMARY OF THE EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has continuously overseen the management in the design, implementation and monitoring of the risk management and internal control systems, and conducted a comprehensive review of the risk management and internal control systems of the Company during the Year and continuously oversaw major risks and regularly review the implementation of management and control measures covering the period of 2024. There were no significant uncontrollable risks during the period. The Board considered that the operation of the systems is effective and adequate. Meanwhile, the Board has accepted the reports of the Risk Management Committee and the Audit Committee on the review results of the Group's risk management and internal control system and agreed that such systems should be continuously reviewed and improved in line with the rapid growth of the Group's business scale, the increasingly diversified business development and the continuous changes in the market environment.

THE REVIEW OF ACCOUNTING, FINANCIAL REPORTING AND INTERNAL AUDIT FUNCTIONS

The Audit Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2024.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the section headed "Independent Auditor's Report" on pages 90 to 97 of this annual report.

JOINT COMPANY SECRETARIES

Mr. Huang Jiayi, the chief financial officer of the Company, acts as a joint company secretary of the Company. Mr. Li Kin Wai of Tricor Services Limited, which is an external service provider, has been engaged by the Company as its joint company secretary and the primary contact person at the Company is Mr. Huang Jiayi. They have confirmed that they have received relevant professional trainings of no less than 15 hours during the Year.

All Directors have access to the advice and services of the joint company secretaries of the Company on corporate governance and board practices and matters.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels and a shareholders' communication policy is in place to ensure that Shareholders' views and concerns are appropriately addressed. During the Year, the Company has reviewed the existing shareholders' communication policy to ensure its continued effectiveness.

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

Convening an extraordinary general meeting

Extraordinary general meetings may be convened by the Board on requisition of Shareholder(s) individually or jointly holding 10% or more of the Company's issued shares carrying voting rights in writing.

Putting forward proposals at general meetings

When a general meeting is convened by the Company, the Board, Supervisory Committee and Shareholders who individually or jointly hold more than 3% or more of the Shares may propose resolutions to the Company.

Shareholders who individually or jointly hold more than 3% of the Shares may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener will issue a supplemental notice of the general meeting within two days upon receipt of the proposals.

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company to the following:

Address: Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Communication with Shareholders and Investor Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted a code for securities transactions by Directors of the Company and a code for securities transactions by 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") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2024.

CONSTITUTIONAL DOCUMENTS

The Articles of Association were approved for amendment by the Shareholders at the annual general meeting of the Company held on 29 May 2024. The changes mainly included the repeal of obsolete provisions pursuant to the new PRC regulatory requirements and the consequential amendments reflecting the new PRC regulations and the Listing Rules.

The Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

The board (the "Board") of directors (the "Directors") of A-Living Smart City Services Co., Ltd. (the "Company", together with its subsidiaries, the "Group") is pleased to present the annual report of the Company together with the audited consolidated financial statements for the year ended 31 December 2024 (the "Year").

PRINCIPAL PLACE OF BUSINESS

The Company is established and has its registered office in the People's Republic of China (the "PRC" or "China"). The Company's principal place of business in Hong Kong is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

PRINCIPAL ACTIVITIES

The Group is principally engaged in property management, property sales, property inspection, advertising and tourism services.

RESULTS AND OVERALL PERFORMANCE

The Group's results for the year ended 31 December 2024 are set out on pages 6 to 7 of this annual report.

BUSINESS REVIEW

The business review of the Group during the Year and a discussion of the Group's future business development and the major risks and uncertainties of the Group are set out in the section headed "Chairman's Statement" on pages 11 to 16 of this annual report and the section headed "Management Discussion and Analysis" on pages 17 to 25 of this annual report, respectively. An analysis of the Group's performance during 2024 based on the financial key performance indicators is set out on pages 201 to 202 of this annual report under the section headed "Five-Year Financial Summary".

The Group believes that sustainable development is crucial to the development of a corporate and actively implements the concept of sustainable development at every level of the operation so as to create a better future for the community and the corporate. The Company will issue separately an Environmental, Social and Governance Report under the Environmental, Social and Governance Reporting Guide as specified in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

ENVIRONMENTAL PROTECTION AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is principally engaged in property management, property sales, property inspection, advertising and tourism services in China. As a property management service provider in China, the Group is required to comply with various national and local laws and regulations on environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. The Group has complied with the laws and regulations which are significant to the operation of the Group. Further, any changes in applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

RELATIONSHIP WITH STAKEHOLDERS

The Group is of the view that its employees, customers and business partners are important to its sustainable development. The Group is committed to maintaining close relationship with its employees, providing high quality services to customers and strengthening the cooperation with its business partners. The Company provides a fair and safe workplace, promotes diversity to the staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfy the needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the services so that the Group can respond proactively. The Group has also established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. The Group reinforces business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

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. None of the Shareholders has waived or agreed to waive any dividend.

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.

SHARE CAPITAL

Details of the movements in the share capital of the Company for the year ended 31 December 2024 and as at 31 December 2024 is set out in note 24 to the consolidated financial statements.

RESERVES AND DISTRIBUTION RESERVE

Details of the movements in the reserves of the Company and of the Group for the year ended 31 December 2024 are set out in note 37(a) and note 25 to the consolidated financial statements and pages 102 to 103 of this annual report under the section headed "Consolidated Statement of Changes in Equity".

Details of the reserve available for distribution to equity shareholders of the Company as at 31 December 2024 is set out in note 37 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for the year ended 31 December 2024 are set out in note 15(a) to the consolidated financial statements.

INTANGIBLE ASSETS

Details of the movements in intangible assets of the Group for the year ended 31 December 2024 are set out in note 17 to the consolidated financial statements.

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 a term of less than one year. Details of the borrowings of the Group are set out in note 26 to the consolidated financial statements.

CHARITABLE DONATIONS

The Group did not make any charitable donations for the year ended 31 December 2024.

RETIREMENT BENEFIT SCHEME

There are no provisions under the retirement benefit scheme of the Group whereby forfeited contributions may be used to reduce future contributions. Details of retirement benefit scheme of the Group are set out in note 8 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 201 to 202 of this annual report.

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.

PLEDGE OF ASSETS

Details of the pledge of assets of the Group for the year ended 31 December 2024 are set out in notes 15, 16 and 20 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no arrangement of pre-emptive rights in accordance with the laws of the PRC and the requirements of the Articles of Association of the Company.

DIRECTORS AND SUPERVISORS

The Directors and the supervisors of the Company (the "Supervisors") during 2024 and up to the date of this annual report are:

Directors

Executive Directors

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)*

Non-executive Directors

Mr. Xu Yongping *(resigned on 29 May 2024)*
Ms. Yue Yuan *(appointed on 29 May 2024)*

Independent non-executive Directors

Mr. Wang Gonghu
Mr. Weng Guoqiang
Mr. Li Jiahe

Supervisors

Mr. Liu Jianrong *(President of the Supervisory Committee, Employee representative Supervisor)*
Ms. Huang Zhixia *(Employee representative Supervisor)*
Ms. Zhang Pingting *(Shareholder representative Supervisor) (resigned on 29 May 2024)*
Mr. Wang Weiqiong *(Shareholder representative Supervisor) (appointed on 29 May 2024)*
Mr. Zheng Jiancheng *(External Supervisor)*
Mr. Wang Shao *(External Supervisor)*

INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the executive Directors, the non-executive Directors and the Supervisors has entered into a service contract with the Company and each of the independent non-executive Directors has signed an appointment letter with the Company.

The appointment of all the Directors is effective from the respective appointment date until the expiry of the term of the third session of the Board. The appointment of all the Supervisors is effective from the respective appointment date until the expiry of the term of the third session of the Supervisory Committee.

No Director or Supervisor has a service contract/letter of appointment with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Other than those transactions disclosed in note 38 to the consolidated financial statements, no Director or Supervisor had a material beneficial interest in, either directly or indirectly, any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

DIRECTORS' AND SUPERVISORS' INTEREST IN COMPETING BUSINESS

During the Year, none of the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

PERMITTED INDEMNITY PROVISION

According to the duty indemnity policy for the Directors, the Supervisors and the Senior Management, each Director, Supervisor and Senior Management is entitled to be indemnified by the Company against all losses or liabilities which he/she may sustain or incur in carrying out his/her functions. The Company has also arranged appropriate insurance in respect of potential legal actions against the Directors, the Supervisors and the Senior Management arising out of corporate activities.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, the Supervisors and Senior Management are set out in the sections headed "Biographies of Directors", "Biographies of Supervisors" and "Biographies of Senior Management", respectively, of this annual report.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES OF THE COMPANY

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors, Supervisors and chief executives of the Company subsequent to the date of the 2024 interim report are as follow:

1. Ms. Yue Yuan has been appointed as an executive director of Agile Group Holdings Limited (stock code of Hong Kong Stock Exchange: 3383) with effect from 18 December 2024.

EQUITY LINKED AGREEMENT

No equity linked agreements were entered into by the Company during 2024.

DIRECTORS', SUPERVISORS' AND THE CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of 31 December 2024, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes as defined in the Corporate Governance Report in this annual report (the "Securities Dealing Codes"), were as follows:

(i) Interest in Shares of the Company

Name of Director/ Supervisor	Nature of Interest	Class of Shares	Number of Shares(1)	Approximate Percentage of the Company's Issued Share Capital
Mr. Chan Cheuk Hung(2)	Beneficiary of a trust	H Shares	643,485,064 (L)	45.32%
			94,540,456 (S)	6.66%
Mr. Huang Fengchao(3)	Interest of a controlled corporation	H Shares	12,288,972 (L)	0.87%
Mr. Li Dalong(4)	Interest of a controlled corporation	H Shares	12,288,972 (L)	0.87%
	Spouse	H Shares	200,000 (L)	0.01%
Mr. Chen Siyang	Beneficial owner	H Shares	1,622,453 (L)	0.11%
Mr. Liu Jianrong	Beneficial owner	H Shares	50,000 (L)	0.01%

Notes:

(1) The letter "L" denotes the person's long position in the shares, while the letter "S" denotes the person's short position in the shares.

(2) Mr. Chan Cheuk Hung is the beneficiary of a family trust ("Chen's Family Trust", which is deemed to be interested in 643,485,064 long position and 94,540,456 short position in H shares of the Company). Therefore, Mr. Chan Cheuk Hung is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

(3) Mr. Huang Fengchao is a limited partner of and owns 99.9% interest in Tianjin Fengxin Commercial Center (Limited Partnership)* 天津奉欣商業中心(有限合夥) ("Tianjin Fengxin"). Tianjin Fengxin is a limited partner of and respectively owns 94.96% and 95% interest in Shanghai Baoya Business Consultancy Limited Partnership* 上海葆雅商務諮詢合夥企業(有限合夥) ("Shanghai Baoya") and Shanghai Bingya Business Consultancy Limited Partnership* 上海秉雅商務諮詢合夥企業(有限合夥) ("Shanghai Bingya"). Mr. Huang is also a general partner of Shanghai Baoya and Shanghai Bingya respectively, and has full control over Shanghai Baoya and Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya Business Consultancy Limited Partnership* 上海詠雅商務諮詢合夥企業(有限合夥) ("Shanghai Yongya") and has full control over Shanghai Yongya. Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Tianjin A-Living Business Management Limited Partnership* 天津雅生活企業管理合夥企業(有限合夥) (formerly known as Gongqingcheng A-Living Investment Management Limited Partnership* 共青城雅生活投資管理合夥企業(有限合夥)) ("Tianjin A-Living") which owns 12,288,972 H shares of the Company. Mr. Huang is a limited partner of and owns 4.99% interest in Tianjin A-Living. Hence, Mr. Huang Fengchao is deemed under the SFO to be interested in the shares of the Company held by Tianjin A-Living.

(4) Mr. Li Dalong is a limited partner of and owns 99.9% interest in Tianjin Chaotai Commercial Center (Limited Partnership)* 天津朝泰商業中心(有限合夥) ("Tianjin Chaotai"). Tianjin Chaotai is a limited partner of and owns 47.5% interest in Shanghai Yanya Business Consultancy Limited Partnership* 上海焰雅商務諮詢合夥企業(有限合夥) ("Shanghai Yanya") and Shanghai Chengya Business Consultancy Limited Partnership* 上海澄雅商務諮詢合夥企業(有限合夥) ("Shanghai Chengya") respectively. Mr. Li is also a general partner of and owns 2.5% interest in Shanghai Yanya and Shanghai Chengya respectively, and has full control over Shanghai Yanya and Shanghai Chengya. Shanghai Yanya is a limited partner of and owns 50% interest in Shanghai Yeya Business Consultancy Limited Partnership* 上海燁雅商務諮詢合夥企業(有限合夥) ("Shanghai Yeya"). Shanghai Chengya is a general partner of Shanghai Yeya and has full control over Shanghai Yeya. Shanghai Yeya is a limited partner of and owns 45% interest in Tianjin A-Living. Mr. Li is a general partner of Tianjin Fengxin and has full control over Tianjin Fengxin. Tianjin Fengxin is a limited partner of and owns 94.96% interest in Shanghai Baoya. Tianjin Fengxin is a limited partner of and owns 95% interest in Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya and has full control over Shanghai Yongya. Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Tianjin A-Living which owns 12,288,972 H shares of the Company. Mr. Li is a limited partner of and owns 2.5% interest in Tianjin A-Living. Hence, Mr. Li Dalong is deemed under the SFO to be interested in the shares of the Company held by Tianjin A-Living. By virtue of the SFO, Mr. Li Dalong is deemed to be interested in the shares of the Company held by his spouse, Ms. Fei Fan.

(ii) Interest in Shares of Associated Corporation of the Company

Name of Director	Name of Associated Corporation	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding Interest
Mr. Chan Cheuk Hung	Agile Group Holdings Limited	Beneficiary of a trust	2,453,096,250 (L)	48.61%
Mr. Huang Fengchao	Agile Group Holdings Limited	Beneficial owner	1,400,000 (L)	0.03%
Ms. Yue Yuan	Agile Group Holdings Limited	Beneficial owner	42,000 (L)	0.00%

Note: The letter "L" denotes the person's long position in the shares.

* for identification purposes only

Save as disclosed above, as of 31 December 2024, neither any of the Directors, the Supervisors nor the chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES OF THE COMPANY

So far as known to any Director or chief executives of the Company, as of 31 December 2024, the persons (other than Directors, Supervisors or chief executives of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Long Positions in Shares or Underlying Shares of the Company

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of the Company's Issued Share Capital
Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司)	Beneficial owner	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Deluxe Star International Limited[2]	Interest of a controlled corporation	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Makel International (BVI) Limited[3]	Interest of a controlled corporation	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Genesis Global Development (BVI) Limited[4]	Interest of a controlled corporation	H shares	608,911,750 (L) 43,710,392 (S)	42.88% 3.08%
Eastern Supreme Group Holdings Limited[5]	Interest of a controlled corporation	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Agile Group Holdings Limited[6]	Interest of a controlled corporation	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Full Choice Investments Limited[7]	Interest of a controlled corporation	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of the Company's Issued Share Capital
Mr. Deakin Gary Colin[7]	Trustee of a trust	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Mr. Richardson Clive Stuart[7]	Trustee of a trust	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Mr. Todd Richard Frazer[7]	Trustee of a trust	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Top Coast Investment Limited[8]	Interest of a controlled corporation	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Mr. Chen Zhuo Lin[9]	Beneficiary of a trust	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Mr. Chan Cheuk Yin[9]	Beneficiary of a trust	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Mr. Chan Cheuk Hei[9]	Beneficiary of a trust	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Mr. Chan Cheuk Nam[9]	Beneficiary of a trust	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Ms. Luk Sin Fong, Fion[10]	Spouse	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Ms. Zheng Huiqiong[11]	Spouse	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Ms. Lu Liqing[12]	Spouse	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Ms. Lu Yanping[13]	Spouse	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
Ms. Chan Siu Na[14]	Spouse	H shares	643,485,064 (L) 94,540,456 (S)	45.32% 6.66%
BNP PARIBAS SA	Interest of a controlled corporation	H shares	112,466,443 (L) 583,500 (S)	7.92% 0.04%
Standard Chartered PLC	Interest of a controlled corporation	H shares	105,667,250 (L)	7.44%
HSBC Holdings plc	Custodian	H shares	112,291,206 (L)	7.90%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares(1)	Approximate Percentage of the Company's Issued Share Capital
The Bank of East Asia, Limited	Person having a security interest in shares	H shares	100,513,000 (L) 513,000 (S)	7.08% 0.04%
United Overseas Bank Limited	Interest of a controlled corporation	H shares	100,100,000 (L)	7.05%
Central Huijin Investment Ltd.	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
China CITIC Bank Corporation Limited	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
China CITIC Bank International Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
China Construction Bank Corporation	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
China Minsheng Banking Corp., Ltd.	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
CITIC Group Corporation	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
CITIC Limited	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
Dah Sing Bank, Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%

* for identification purpose only

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares(1)	Approximate Percentage of the Company's Issued Share Capital
LEI IOC HENG	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
LIU CHAK WAN	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
Luso International Banking Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
Macao Development Bank Limited	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	Person having a security interest in shares	H shares	100,000,000 (L)	7.04%
UOB-Kay Hian Holdings Limited	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited)	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%

Notes:

(1) The letters "L" denotes the person's/corporation's long position in the shares, while the letter "S" denotes the person's/corporation's short position in the shares.

(2) Zhongshan A-Living Enterprises Management Services Co., Ltd.* is wholly-owned by Deluxe Star International Limited and Deluxe Star International Limited is deemed under the SFO to be interested in the shares of the Company held by Zhongshan A-Living Enterprises Management Services Co., Ltd.*.

(3) Deluxe Star International Limited is wholly-owned by Makel International (BVI) Limited and Makel International (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Deluxe Star International Limited.

(4) Makel International (BVI) Limited is wholly-owned by Genesis Global Development (BVI) Limited and Genesis Global Development (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Makel International (BVI) Limited.

(5) Genesis Global Development (BVI) Limited is wholly-owned by Eastern Supreme Group Holdings Limited and Eastern Supreme Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Genesis Global Development (BVI) Limited.

(6) Eastern Supreme Group Holdings Limited is wholly-owned by Agile Group Holdings Limited and Agile Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Eastern Supreme Group Holdings Limited.

(7) Full Choice Investments Limited, Mr. Todd Richard Frazer, Mr. Richardson Clive Stuart and Mr. Deakin Gary Colin are the joint trustees of Chen's Family Trust, therefore, Full Choice Investments Limited, Mr. Todd Richard Frazer, Mr. Richardson Clive Stuart and Mr. Deakin Gary Colin are deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

* for identification purpose only

(8) Top Coast Investment Limited is the settlor of Chen's Family Trust, therefore, Top Coast Investment Limited is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

(9) Each of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam is the beneficiary of Chen's Family Trust, therefore, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

(10) By virtue of the SFO, Ms. Luk Sin Fong, Fion is deemed to be interested in the shares of the Company held by her spouse, Mr. Chen Zhuo Lin.

(11) By virtue of the SFO, Ms. Zheng Huiqiong is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Yin.

(12) By virtue of the SFO, Ms. Lu Liqing is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hung.

(13) By virtue of the SFO, Ms. Lu Yanping is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hei.

(14) By virtue of the SFO, Ms. Chan Siu Na is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Nam.

Save as disclosed above, as of 31 December 2024, the Directors, the Supervisors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the aggregate sales and purchases attributable to the Group's five largest customers and suppliers were approximately 4.53% of the Group's total revenue and approximately 6.44% of the Group's total purchase during the Year respectively.

As at 31 December 2024, Agile Holdings, holding approximately 45.32% of the issued share capital of the Company, is one of the Group's five largest customers.

Save as disclosed above, none of the Directors, Supervisors and their respective close associates nor any Shareholders (who are interested in more than 5% of the issued shares of the Company according to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Continuing Connected Transactions" below, there was no contract of significance (whether for the provision of services to the Company or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and a controlling Shareholder or any of its subsidiaries is the other party during the Year or subsisted as at 31 December 2024.

RELATED PARTY TRANSACTIONS

A summary of all related party transactions, in accordance with the Hong Kong Financial Reporting standards, entered into by the Group during the year ended 31 December 2024 is contained in note 36 to the consolidated financial statements. Save for those disclosed in the section headed "Continuing Connected Transactions" below, certain transactions reported under "Rental expenses" of note 36 also fell under the definition of "continuing connected transactions" under Chapter 14A of the Listing Rules but are fully exempt from the reporting, annual review, announcement and the independent shareholders' approval requirements. The transactions reported under "Provision of services" of note 36, except for the transactions entered into between the Group and Kaifeng Guokong Songdu Property Co. Ltd.* (開封國控宋都置業有限公司) fell under the definition of "continuing connected transactions" as disclosed in the section headed "Continuing Connected Transactions" below. Other related party transactions did not constitute "connected transactions" or "continuing connected transactions" under Chapter 14A of the Listing Rules.

Save for the continuing connected transactions disclosed below, during the Year, there were no other transactions which, in the opinion of the Directors, constituted connected transactions or continuing connected transactions that were subject to the reporting requirements under the Listing Rules.

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions or continuing connected transactions entered into by the Group during the year ended 31 December 2024.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2024, the Group entered into the following continuing connected transactions, as defined in the Listing Rules, with connected persons of the Company.

(I) Continuing connected transactions subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirement

(i) Property Management Services Framework Agreement

On 20 October 2023, the Company entered into a property management services framework agreement (the "2024 Property Management Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group property management services, including but not limited to (i) onsite security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales centres of Agile Group at the pre-delivery stage; (ii) operations and management services for the unsold property units; (iii) disinfection and hygiene services; (iv) property management services for the diversified businesses of Agile Holdings, including but not limited to environmental protection, urban renewal and real estate construction; and (v) properties owned by Agile Group requiring the above services.

Pursuant to the 2024 Property Management Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Property Management Services Framework Agreement for the three years ended 31 December 2026 are expected not to exceed RMB420,000,000, RMB570,000,000 and RMB700,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Property Management Services Framework Agreement was approximately RMB193,315,000, which is within the annual cap of RMB420,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Property Management Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(ii) Property Agency Services Framework Agreement

On 20 October 2023, the Company entered into a property agency services framework agreement (the "2024 Property Agency Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group property agency services, including but not limited to, providing marketing and sales services for properties developed by Agile Group.

Pursuant to the 2024 Property Agency Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Property Agency Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB600,000,000, RMB700,000,000 and RMB900,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Property Agency Services Framework Agreement was approximately RMB63,799,000, which is within the annual cap of RMB600,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Property Agency Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(iii) Framework Referral Agreement

On 20 October 2023, the Company entered into a framework referral agreement (the "2024 Framework Referral Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide marketing referral services in respect of the sales of residential properties and car parking spaces by Agile Group in their development projects to be provided by the Group to Agile Group including but not limited to (i) marketing activities through the utilisation of the community resources and other sales channel of the Group; (ii) customers' information collection; and (iii) customers' referrals.

Pursuant to the 2024 Framework Referral Agreement, the annual caps for the transactions contemplated under the 2024 Framework Referral Agreement for the three years ending 31 December 2026 are expected not to exceed RMB300,000,000, RMB400,000,000 and RMB500,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Framework Referral Agreement was approximately RMB19,413,000, which is within the annual cap of RMB300,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Framework Referral Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(II) Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirement

(i) Technology Services Framework Agreement

On 20 October 2023, the Company entered into a technology services framework agreement (the "2024 Technology Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide technology products and relevant services to Agile Holdings and/or its subsidiaries, including but not limited to (i) intelligent products; (ii) software products; (iii) intelligent home and sale of residential accessory products; (iv) software development; (v) information system integration services; (vi) intelligent design; (vii) intelligent engineering services; (viii) software platform technology services; and (ix) relevant consultancy services..

Pursuant to the 2024 Technology Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Technology Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB100,000,000, RMB150,000,000 and RMB200,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Technology Services Framework Agreement was approximately RMB827,000, which is within the annual cap of RMB100,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Technology Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(ii) Turnkey Furnishing Services Framework Agreement

On 20 October 2023, the Company entered into a turnkey furnishing services framework agreement (the "2024 Turnkey Furnishing Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group turnkey furnishing consultancy services and relevant design, supervision, acceptance and ancillary consultancy services for properties developed by Agile Group.

Pursuant to the 2024 Turnkey Furnishing Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Turnkey Furnishing Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB20,000,000, RMB21,500,000 and RMB30,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Turnkey Furnishing Services Framework Agreement was approximately RMB6,028,000, which is within the annual cap of RMB20,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Turnkey Furnishing Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(iii) Advertising and Public Relations Services Framework Agreement

On 20 October 2023, the Company entered into an advertising and public relations services framework agreement (the "2024 Advertising and Public Relations Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group services such as advertisement design, media agent and public relations.

Pursuant to the 2024 Advertising and Public Relations Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Advertising and Public Relations Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB37,000,000, RMB40,000,000 and RMB45,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Advertising and Public Relations Services Framework Agreement was approximately RMB8,735,000, which is within the annual cap of RMB37,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Advertising and Public Relations Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(iv) Pre-delivery Inspection Services Framework Agreement

On 20 October 2023, the Company entered into a pre-delivery inspection services framework agreement (the "2024 Pre-delivery Inspection Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide to Agile Group pre-delivery inspection services, including but not limited to conducting house inspection on properties developed by Agile Group upon completion of construction and before delivery of the same to homeowners.

Pursuant to the 2024 Pre-delivery Inspection Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Pre-delivery Inspection Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB37,500,000, RMB45,000,000 and RMB60,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Pre-delivery Inspection Services Framework Agreement was approximately RMB11,944,000, which is within the annual cap of RMB37,500,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Pre-delivery Inspection Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(v) Consultation Services Framework Agreement

On 20 October 2023, the Company entered into a consultation services framework agreement (the "2024 Consultation Services Framework Agreement") with Agile Holdings for a term of three years from 1 January 2024 and ending on 31 December 2026, pursuant to which the Group will provide consultation services in relation to property management to the property projects of Agile Group at their preparation stage, design stage, assessment of construction design stage, construction stage and delivery stage, including but not limited to (i) formulation of property management services plan in accordance with the construction of the project and the target customers; (ii) provision of consultation on the master plan of the project and relevant design in relation to accessory facilities; (iii) inspection of construction progress and quality; (iv) related preparations for preliminary project planning, sourcing of materials and project execution in the property development projects of the Agile Group; and (v) monitoring of repair and rectification service.

Pursuant to the 2024 Consultation Services Framework Agreement, the annual caps for the transactions contemplated under the 2024 Consultation Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed RMB45,000,000, RMB47,000,000 and RMB50,000,000, respectively. For the year ended 31 December 2024, the annual fee payable by Agile Holdings to the Group under the 2024 Consultation Services Framework Agreement was approximately RMB7,724,000, which is within the annual cap of RMB45,000,000.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the 2024 Consultation Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(vi) Parking Space Leasing and Sales Agency Services Framework Agreement

On 22 April 2022, the Company entered into a parking space leasing and sales agency services framework agreement (the "Parking Space Leasing and Sales Agency Services Framework Agreement") with Agile Holdings, pursuant to which the Group will provide parking space sales and leasing services to the Agile Group, including but not limited to (1) parking space sales agency service; and (2) parking space leasing agency service.

Pursuant to the Parking Space Leasing and Sales Agency Services Framework Agreement, the annual caps for the (i) deposits and (ii) agency fee for the transactions contemplated under the Parking Space Leasing and Sales Agency Services Framework Agreement for the three years ending 31 December 2024 are expected not to exceed (i) RMB700,000,000, RMB700,000,000 and RMB700,000,000 and (ii) RMB145,000,000, RMB170,000,000 and RMB170,000,000, respectively. For the year ended 31 December 2024, the annual fees of (i) deposits and (ii) the agency fee payable by Agile Holdings to the Group under the Parking Space Leasing and Sales Agency Services Framework Agreement were RMB700,000,000 and approximately RMB7,611,000, respectively, which are within the annual caps of RMB700,000,000 and RMB170,000,000.

On 28 August 2023, the Company entered into a supplemental agreement (the "Supplement Agreement") with Agile Holdings to vary the payment terms under the Parking Space Leasing and Sales Agency Services Framework Agreement. On 22 December 2023, both parties entered into a termination agreement and mutually agreed to terminate the Supplemental Agreement. The rights and obligations agreed under the Supplemental Agreement shall be terminated.

Agile Holdings is the Controlling Shareholder and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Parking Space Leasing and Sales Agency Services Framework Agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms; and

(iii) in accordance with the relevant framework agreements on terms that are fair and reasonable and in the interests of Shareholders as a whole.

CONFIRMATION OF THE AUDITORS

The Company's auditor was engaged to report on the Group's continuing connected transactions for the year ended 31 December 2024 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

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

LITIGATION

During the year ended 31 December 2024, the Company was not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

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 of the date of this annual report, the Company had maintained sufficient public float as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company had adopted the principles and code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules and complied with the applicable code provisions throughout the Year.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by Grant Thornton Hong Kong Limited, Certified Public Accountants, who shall retire at the 2024 AGM. A resolution will be proposed at the 2024 AGM to re-appoint Grant Thornton Hong Kong Limited, Certified Public Accountants, as auditor of the Company.

PricewaterhouseCoopers ("PwC") resigned as the auditor of the Company with effect from 24 November 2022. At the 2023 first extraordinary general meeting of the Company held on 3 March 2023, the Shareholders approved the appointment of Grant Thornton Hong Kong Limited to fill the casual vacancy following the resignation of PwC.

Save as disclosed above, there have been no other changes in auditors in the preceding three years.

AUDIT COMMITTEE

The audit committee of the Company had discussed with the management, and reviewed, the audited consolidated financial statements of the Group for the year ended 31 December 2024 as set out in this annual report.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

SUSTAINABLE DEVELOPMENT

The Group believes that promoting sustainability is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainability in its operations. Moreover, it values opportunities to learn more about the needs and expectations of the communities in which it operates, as well as those of other stakeholders. The Group is committed to strengthening its management efforts to promote sustainability through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate its commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix C2 to the Listing Rules. The report will present the Company's commitment to sustainable development during the Year under review, and it will cover the significant economic, environmental and social achievements and impacts arising from the activities of the Group and its joint ventures.

On behalf of the Board

A-Living Smart City Services Co., Ltd.
Chan Cheuk Hung/Huang Fengchao
Co-chairman of the Board

Hong Kong, 28 March 2025

Report of the Supervisory Committee

I. COMPOSITION OF THE SUPERVISORY COMMITTEE

As of 31 December 2024, the supervisory committee of the Company (the "Supervisory Committee") consisted of five members, of which there were two employee representative Supervisors, one shareholder representative Supervisor and two external Supervisors (collectively, the "Supervisors"). The terms of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of his/her term in accordance with the requirements of the articles of association of the Company (the "Articles of Association").

The composition of the Supervisory Committee is as follows:

Name	**Position**	**Date of Appointment**	**Responsibilities**
Mr. Liu Jianrong	President of the Supervisory Committee, employee representative Supervisor	21 July 2020	Presiding the work of the Supervisory Committee, responsible for supervising the board of directors (the "Board") and the senior management of the Company
Ms. Huang Zhixia	Employee representative Supervisor	21 July 2017	Responsible for supervising the Board and the senior management of the Company
Ms. Zhang Pingting *(resigned on 29 May 2024)*	Shareholder representative Supervisor	21 July 2023	Responsible for supervising the Board and the senior management of the Company
Mr. Wang Weiqiong	Shareholder representative Supervisor	29 May 2024	Responsible for supervising the Board and the senior management of the Company
Mr. Zheng Jiancheng	External Supervisor	21 July 2023	Responsible for supervising the Board and the senior management of the Company
Mr. Wang Shao	External Supervisor	21 August 2017	Responsible for supervising the Board and the senior management of the Company

II. MAJOR WORKS OF THE SUPERVISORY COMMITTEE IN 2024

In 2024, being accountable to all shareholders of the Company (the "Shareholders"), the members of the Supervisory Committee of the Company strengthened the coordination and cooperation between the Board and the senior management and seriously performed the duties of supervision, for purposes of better playing a supervisory role of the Supervisory Committee, promoting the standardized operation and healthy development of the Company, and safeguarding the rights and interests of the Company and the Shareholders.

(i) Convening meetings of the Supervisory Committee according to law, and earnestly performing supervisory duties

In 2024, the Supervisory Committee held a total of 4 meetings of the Supervisory Committee.

The Supervisors carefully reviewed the meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee. The Supervisors attended meetings of the Supervisory Committee and earnestly performed supervisory duties. The details of Supervisors attendance at the meetings of the Supervisory Committee held are as follows:

Name	Number of supervisory meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Liu Jianrong	4	4	0	0
Ms. Huang Zhixia	4	4	0	0
Ms. Zhang Pingting *(resigned on 29 May 2024)*	2	2	0	0
Mr. Wang Weiqiong *(appointed on 29 May 2024)*	2	0	2	0
Mr. Zheng Jiancheng	4	3	1	0
Mr. Wang Shao	4	4	0	0

(ii) Supervising the Directors and Senior Management of the Company in their performance of duties

In 2024, the members of the Supervisory Committee reviewed the resolutions of the Board by attending board meetings, examined the daily operation and management of the Company and supervised the directors and senior management of the Company in their performance of duties.

(iii) Supervising the Continuing Connected Transactions of the Company with connected persons

In 2024, the members of the Supervisory Committee reviewed the continuing connected transactions of the Company by attending Supervisory Committee meetings. The members of the Supervisory Committee also attended the 2023 annual general meeting held on 29 May 2024.

(iv) Monitoring Company's Operation

In 2024, members of the Supervisory Committee participated in discussions of major operating decisions, reviewed proposals submitted to the Board for consideration and examined and monitored the operation of the Company through attending Board meetings and general meetings of the Shareholders held by the Company. The Supervisory Committee is of the opinion that the business activities of the Company complied with relevant laws and regulations and the Articles of Association. Meanwhile, the Directors and senior management of the Company have diligently performed their duties and earnestly implemented the resolutions of the general meetings of the shareholders to safeguard the interests of the Shareholders and the benefit of the Company. In the course of examining the operation of the Company and supervising the performance of duties of the Directors and senior management, the Supervisory Committee has not found any of their behaviors that contravened any applicable laws and regulations or the Articles of Association or any issues that has caused damage to the interests of the Shareholders and the Company.

(v) Focusing on strategy fulfillment and implementation of effective supervision

The Supervisory Committee actively supported the Company's major work and paid close attention to the Company's major events and performed well in supervision and promotion duties.

III. INDEPENDENT OPINIONS OF SUPERVISORY COMMITTEE

(i) Lawful Operation

In 2024, the Company's operations were in compliance with laws and regulations, and its decision-making procedures conformed to relevant laws, regulations and the Articles of Association. Directors and senior management of the Company duly performed their duties. The Supervisors Committee is not aware of any breach of laws, regulations and the Articles of Association or any actions which might be detrimental to the interests of the Company when Directors and senior management were performing their duties.

(ii) Annual Report

The preparation and review procedures of this annual report complies with laws and regulations and regulatory provisions. The contents of this annual report reflected the Company's actual situation truly, accurately and completely.

(iii) Performance Appraisal Results of Directors and Senior Management

In the view of the Supervisory Committee, Directors and senior management of the Company were in compliance with laws and carried out their duties responsibly and they performed their work in a practicable, diligent and due manner. The decision-making procedures were lawful.

(iv) Continuous Connected Transactions

In 2024, the continuous connected transactions of the Company were conducted based on business principles. There were no activities which impaired the interests of the Company in continuous connected transactions. The approval, voting, disclosure and implementation of continuous connected transactions complied with applicable laws and regulations and the Articles of Association.

IV. MAJOR INITIATIVES FOR 2025

The Supervisory Committee will be strictly in accordance with the laws and regulations, Articles of Association and the Terms of Reference of the Supervisory Committee of the Company and other requirements of the relevant provisions to conduct discussion of daily business of the Supervisory Committee and diligently and responsibly perform their duties, including (1) to convene meetings of the Supervisory Committee according to the actual situation of the Company and review and consider various resolutions; (2) to review the Company's financial position by regularly understanding and reviewing financial reports, and monitor the financial operation of the Company in order to prevent against operational risks; and (3) diligently, responsibly and actively to participate in the Board meetings, general meetings and other important meetings as well as the decision-making process in relation to material matters to better safeguard the interests of the Company and the Shareholders.

Grant Thornton
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To the members of A-Living Smart City Services Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of A-Living Smart City Services Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages 98 to 200, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirement of Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of goodwill impairment Refer to notes 2.9, 2.10, 4(a) and 17 to the consolidated financial statements. As at 31 December 2024, the Group had goodwill of RMB2,551,858,000 primarily in relation to the Group's acquisition of other property management services groups (the "Acquirees"). Management has assessed the goodwill impairment and impairment losses of goodwill amounting to RMB246,206,000 was recognised in the current year. Goodwill is tested for impairment annually, or when there are events or changes in circumstances indicate that it might be impaired. For the purpose of impairment assessment, goodwill was allocated to each group of cash-generated units of the Acquirees. Management assessed impairment of goodwill with the assistance of an independent external valuer (the "External Valuer") and determined the recoverable amounts based on a value-in-use ("VIU") calculation using cash flow projections based on financial budgets approved by management. The key assumptions considered primarily include (i) compound annual growth rate of revenue, (ii) earnings before interest, tax, depreciation and amortisation ("EBITDA") margin, (iii) average trade receivables turnover days, (iv) long-term growth rate, and (v) pre-tax discount rate.	We have performed the following audit procedures in respect of the assessment of goodwill impairment: • Understood, evaluated and tested the internal control over the impairment assessment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud; • Evaluated the competency, capabilities and objectivity of the External Valuer; • Evaluated the appropriateness of the methodology and the reasonableness of key assumptions adopted with the involvement of our internal valuation experts; • Challenged and assessed the reasonableness of the key assumptions adopted by management as below: (i) evaluated the historical estimation accuracy of the cash flow forecast by, for example, comparing the forecast used in the prior year to the actual performance of the business in the current year; (ii) evaluated the reasonableness of the key assumptions used in the cash flow forecast, including compound annual growth rate of revenue, EBITDA margin and average trade receivables turnover days during the forecast period, we compared them with historical financial data and approved budgets; (iii) for the long-term growth rate, we assessed it with reference to the long-term expected inflation rate based on our independent research; (iv) assessed the pre-tax discount rate with reference to comparable listed companies based on our industry knowledge and independent research done by us;

Key Audit Matter	How our audit addressed the Key Audit Matter
We identified this area as a key audit matter because of the significance of the goodwill balance and the significant judgements and estimates made by the management in the goodwill impairment assessment. The inherent risk in relation to the impairment assessment of goodwill is considered significant due to the complexity of the impairment models and subjectivity of significant assumptions used.	• Tested source data to supporting evidence on a sample basis, such as approved budgets and available market data and considered the reasonableness of these budgets; • Evaluated the reasonableness of the sensitivity analysis performed by management on the key assumptions to understand the impact of the reasonable changes in assumptions on the recoverable amount; • Assessed the adequacy of the disclosures related to impairment assessment of goodwill; and • Considered whether the judgements made in selecting the methodology and the key assumptions would give rise to indicators of possible management bias. Based on the above, we found that the significant judgements and estimates involved in the goodwill impairment assessment were supported by available evidence.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of expected credit losses of trade receivables Refer to notes 2.14, 3.1.2, 4(c) and 20 to the consolidated financial statements. As at 31 December 2024, the gross balance of trade receivables amounted to RMB8,426,176,000, which represented approximately 41.6% of the total assets of the Group. Management has assessed the expected credit losses ("ECL") of trade receivables with a loss allowance of RMB4,065,494,000 made against trade receivables as at 31 December 2024. Management applied the simplified approach under HKFRS 9 to measure the lifetime ECL of trade receivables. To measure the ECL, trade receivables were grouped based on shared credit risk characteristics. Management assessed the ECL based on estimation about risk of default and expected loss rates, and judgment was used in making these assumptions and selecting the inputs to the impairment calculation, including the historical settlement records, credit ratings, financial positions of the customers and other factors that impacted their ability of repayment. Management also took into account of the current market conditions and forward-looking factors.	We have performed the following audit procedures in respect of the assessment of ECL of trade receivables: • Obtained an understanding of the Group's internal control and assessment process of ECL of trade receivables, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk of factors, such as complexity and subjectivity; • Evaluated and validated, on a sample basis, the key controls over management's assessment of the ECL of trade receivables including the review of ageing analysis. • Assessed the appropriateness of the credit loss provisioning methodology adopted by management including the appropriateness of customer grouping based on our understanding on the Group's business process;

Key Audit Matter	How our audit addressed the Key Audit Matter
We identified this area as a key audit matter due to the significance of the trade receivables balance. In addition, the judgements and estimations in relation to assessment of ECL are subject to high degree of estimation uncertainty. The inherent risk in relation to the assessment of ECL is considered relatively higher due to the complexity of impairment models and subjectivity of significant assumptions and data used.	• Evaluated the appropriateness of the methodology and the reasonableness of key assumptions adopted: (i) assessed the appropriateness of customer grouping based on our understanding on the Group's business process, the credit control process and the credit risk characteristics of trade receivables; (ii) assessed the reasonableness of significant assumptions used in estimating the loss rate referencing to customers' credit information, the historical settlement performance, and collaborated management's explanations with publicly available information and supporting evidence; (iii) challenged and evaluated management's assessment on the financial positions of the customers, existing markets conditions and forward-looking factors with reference to our understanding of Group's business, industry and external macroeconomic data; • Tested, on a sample basis, the accuracy of the ageing analysis of trade receivables prepared by management to supporting documents; • Checked the mathematical accuracy of the calculation of the provision for loss allowance; and • Assessed the adequacy of the disclosures related to assessment of ECL of trade receivables. Based on the above, we found that the key judgements and estimates made by management in relation to the assessment of ECL of trade receivables were supported by available evidences.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information in the 2024 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

28 March 2025

Ng Ka Kong
Practising Certificate No.: P06919

Consolidated Income Statement

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	6	**13,867,234**	15,443,449
Cost of sales	7	**(11,783,056)**	(12,797,899)
Gross profit		**2,084,178**	2,645,550
Selling and marketing expenses	7	**(41,622)**	(101,377)
Administrative expenses	7	**(792,550)**	(836,424)
Net impairment losses on financial assets	3.1.2	**(4,329,333)**	(534,820)
Impairment loss on goodwill		**(246,206)**	(427,890)
Impairment loss on prepayment		**(37,113)**	(4,716)
Other income	9	**105,897**	190,994
Other (losses)/gains — net	10	**(236,689)**	92,418
Operating (loss)/profit		**(3,493,438)**	1,023,735
Finance costs	11	**(28,832)**	(20,128)
Share of post-tax profits of joint ventures and associates	12(b)	**17,682**	44,937
(Loss)/profit before income tax		**(3,504,588)**	1,048,544
Income tax credit/(expenses)	13	**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 ("NCI")		**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	14	**(2.30)**	0.32

The above consolidated statement comprehensive income should be read in conjunction with the accompanying notes.

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

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
Assets			
Non-current assets			
Property, plant and equipment ("PPE")	15(a)	**609,041**	632,800
Right-of-use assets	15(b)	**54,141**	82,511
Investment properties	16	**195,832**	262,995
Other intangible assets	17	**913,775**	1,170,180
Goodwill	17	**2,551,858**	2,887,011
Deferred income tax assets	28	**977,068**	385,182
Investment accounted for using the equity method	12(b)	**1,105,188**	1,202,285
Prepayments	20	**965,940**	923,797
Financial assets at fair value through other comprehensive income ("FVOCI")	19	**12,418**	12,593
Financial assets at fair value through profit or loss ("FVPL")	22	**–**	3,238
		7,385,261	7,562,592
Current assets			
Trade and other receivables and prepayments	20	**7,380,871**	10,206,581
Inventories	21	**33,619**	38,518
Financial assets at fair value through profit or loss	22	**1,993,658**	2,000,112
Restricted cash		**137,912**	167,912
Cash and cash equivalents	23	**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	24	**1,420,001**	1,420,001
Other reserves	25	**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

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Other payables	27	**6,989**	2,891
Contract liabilities	6(a)	**91,719**	83,631
Borrowings	26	**213,279**	115,369
Lease liabilities	15(b)	**17,714**	42,069
Deferred income tax liabilities	28	**246,808**	313,152
		576,509	557,112
Current liabilities			
Trade and other payables	27	**6,365,019**	6,683,371
Contract liabilities	6(a)	**1,415,070**	1,567,840
Current income tax liabilities		**464,457**	576,025
Borrowings	26	**248,395**	181,386
Lease liabilities	15(b)	**27,335**	35,715
Financial liabilities for put options	29	**–**	–
		8,520,276	9,044,337
Total liabilities		**9,096,785**	9,601,449
Total equity and liabilities		**20,247,171**	24,050,580

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 98 to 200 were approved by the Board of Directors on 28 March 2025 and were signed on its behalf.

Chan Cheuk Hung
Director

Huang Fengchao
Director

Consolidated Statement of Changes in Equity

	Notes	Attributable to the shareholders of Company					
		Share capital RMB'000 (Note 24)	Other reserves RMB'000 (Note 25)	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024		1,420,001	5,625,031	5,768,108	12,813,140	1,635,991	14,449,131
Comprehensive income							
(Loss)/profit for the year		-	-	(3,270,698)	(3,270,698)	143,810	(3,126,888)
Total comprehensive (expense)/income		-	-	(3,270,698)	(3,270,698)	143,810	(3,126,888)
Transactions with shareholders of the Company							
Dividends to the shareholders of the Company		-	-	(127,800)	(127,800)	-	(127,800)
Dividends to the NCI		-	-	-	-	(117,212)	(117,212)
Acquisition of subsidiaries	32	-	-	-	-	1,215	1,215
Disposal of subsidiaries	35	-	-	-	-	84,784	84,784
Capital reduction from the NCI		-	-	-	-	(4,585)	(4,585)
Other transaction with NCI	34	-	(6,878)	-	(6,878)	(1,381)	(8,259)
		-	(6,878)	(127,800)	(134,678)	(37,179)	(171,857)
Balance at 31 December 2024		1,420,001	5,618,153	2,369,610	9,407,764	1,742,622	11,150,386

	Notes	Attributable to the shareholders of Company				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000 (Note 24)	Other reserves RMB'000 (Note 25)	Retained earnings RMB'000	Subtotal RMB'000		
Balance at 1 January 2023		1,420,001	5,687,588	5,356,798	12,464,387	1,660,207	14,124,594
Comprehensive income							
Profit for the year		–	–	460,875	460,875	237,858	698,733
Other comprehensive income		–	2,199	–	2,199	–	2,199
Total comprehensive income		–	2,199	460,875	463,074	237,858	700,932
Transactions with shareholders of the Company							
Dividends to the shareholders of the Company	30	–	–	(35,500)	(35,500)	–	(35,500)
Dividends to the NCI		–	–	–	–	(161,253)	(161,253)
Acquisition of subsidiaries	32	–	–	–	–	759	759
Disposal of subsidiaries	35	–	–	–	–	(4,718)	(4,718)
Capital injection from the NCI		–	–	–	–	23,742	23,742
Share-based payments		–	10,560	–	10,560	–	10,560
Exercise of put option		–	25,413	–	25,413	(25,413)	–
Other transaction with NCI	34	–	(114,794)	–	(114,794)	(95,191)	(209,985)
Appropriation of statutory reserves	25	–	14,065	(14,065)	–	–	–
		–	(64,756)	(49,565)	(114,321)	(262,074)	(376,395)
Balance at 31 December 2023		1,420,001	5,625,031	5,768,108	12,813,140	1,635,991	14,449,131

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	31(a)	**872,383**	1,472,380
Income tax paid		**(443,632)**	(474,738)
Net cash generated from operating activities		**428,751**	997,642
Cash flows from investing activities			
Purchases of PPE		**(108,531)**	(214,682)
Purchase of investment properties		**(659)**	–
Proceeds from disposal of PPE and investment properties		**62,577**	63,451
Purchase of other intangible assets		**(1,627)**	(1,064)
Proceeds from disposal of other intangible assets		**–**	104
Investments in joint ventures and associates		**(274,722)**	(2,701)
Disposal of associates		**19,184**	–
Refund of the deposit for potential acquisition		**–**	140,000
Loans to related parties		**(51,500)**	(84,140)
Loans repayments received from related parties		**25,240**	5,362
Loans to third parties		**(4,677,910)**	(4,938,765)
Loans repayments from third parties		**4,378,668**	4,567,460
Interest received		**11,566**	62,778
Acquisition of financial assets at FVPL	3.3(b)	**(788,750)**	(2,125,750)
Proceeds from disposal of financial assets at FVPL and FVOCI		**812,588**	2,168,713
Dividend received		**25,880**	2,793
Cash inflow from acquisition of subsidiaries		**8,216**	1,772
Cash (outflow)/inflow from disposal of subsidiaries	35	**(11,997)**	1,248
Net cash used in investing activities		**(571,777)**	(353,421)

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from financing activities			
Capital (reduction)/injection from NCI		**(4,585)**	23,742
Cash advances from third parties		**905**	6,875
Repayment to third parties		**(340,414)**	(6,988)
Proceeds from borrowings		**492,091**	339,035
Repayments of borrowings		**(307,472)**	(147,100)
Principal elements and interest of lease payments		**(39,497)**	(47,035)
Interest paid		**(25,855)**	(13,367)
Dividends paid to shareholders		**(120,700)**	–
Dividends paid to the NCI		**(162,814)**	(195,215)
Payment for written put option liabilities		**(32,941)**	(33,207)
Other transactions with the NCI		**(73,353)**	(300,743)
Net cash used in financing activities		**(614,635)**	(374,003)
Net (decrease)/increase in cash and cash equivalents		**(757,661)**	270,218
Cash and cash equivalents at beginning of year		**4,074,865**	3,799,262
Effect of exchange rate changes on cash and cash equivalents		**(1,354)**	5,385
Cash and cash equivalents at end of year	23	**3,315,850**	4,074,865

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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.

2.1(i) 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 2.1(ii).

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1(ii) 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
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1(ii) New and amended standards adopted by the Group (Continued)

Issued but not yet effective HKFRSs (Continued)

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 income statement and consolidated statement of comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1(ii) New and amended standards adopted by the Group (Continued)

Issued but not yet effective HKFRSs (Continued)

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

The major changes in the amendments to HKFRS 9 and HKFRS 7 are summarised as follows:

- clarifying the application of the 'own-use' requirements;

- permitting hedge accounting if nature-dependent electricity contracts, also known as power purchase agreements ("PPAs"), are used as hedging instruments; and

- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Besides, the amendments also provide additional guidance on how entities can use PPAs in hedge accounting.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The directors of the Group expect that the amendments have no material impact on the consolidated financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control, which is the power to participate in the financial and operating policy decisions of the investee. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 2.2.4 below), after initially being recognised at cost.

2.2.3 Joint ventures

Interests in joint ventures are accounted for using the equity method (see Note 2.2.4 below), after initially being recognised at cost in the consolidated balance sheet.

2.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

2.2.4 Equity method (Continued)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.5 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.10.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity,
- acquisition-date fair value of any previous equity interest in the acquired entity, and
- over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the owner of the non-controlling interest, which is not part of a business combination, the Group records a financial liability in respect of the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the consolidated income statement within finance costs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director that makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within "other gains/(losses) — net" in the consolidated income statement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased property, plant and equipment, the shorter lease term as follows:

Buildings	5–60 years
Transportation equipment	2–10 years
Office equipment	2–10 years
Machinery	2–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) — net" in the consolidated income statement.

2.8 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in consolidated income statement as part of "other gains/(losses) — net".

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 5 to 15 years.

(c) Customer relationship and backlogs

Customer relationship and backlogs acquired in a business combination is recognised at fair value at the acquisition date. The contractual customer relations and backlogs have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 2 to 10 years for the customer relationship and backlogs.

(d) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 2 to 10 years.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (Continued)

(e) Research and development costs

Research and development costs that are directly attributable to the design and testing of identifiable and unique software products, for example, applications, controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the research and development and to use the software product are available; and
- The expenditure attributable to the software product during its research and development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.10 Impairment of non-financial assets

Goodwill is not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains — net, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

Financial assets at FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses) — net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) — net and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

Financial assets at FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) — net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other gains/losses — net" in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(c) Measurement (continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1.2 for further details.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 12 months and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 20 for further information about the Group's accounting for trade and other receivables and Note 3.1.2 for a description of the Group's impairment policies.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Cash and cash equivalents, restricted cash

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.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Borrowing costs

All borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, associates and joint ventures including existing taxable temporary differences, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Put option arrangements

The potential cash payments related to put options issued by the Group over the equity of subsidiaries are accounted for as financial liabilities as there is an obligation for the Group to deliver cash or other financial assets in exchange of its own equity shares. The amount that may become payable under the option on exercise is initially recognised at present value of the redemption amount with a corresponding charge directly to equity.

Such options, including the transaction costs, are subsequently accreted through “finance costs” up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

2.22 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(a) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees’ salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the governments.

The Group’s contributions to the defined contribution retirement scheme are expensed as incurred.

(b) Housing benefits

Full-time PRC employees of the Group are entitled to participate in government-sponsored housing funds. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group’s liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds are expensed as incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

Short-term obligations (Continued)

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(e) Share-based payments

For grant of shares by the Company's one of shareholders to former and existing employees (including directors) of the Group with outstanding contributions to the development of the Company, the amount to be expensed as share-based compensation expenses is determined by reference to the fair value of the shares granted. The fair value of each granted share is determined by the difference between the market price of the Company's share and the grant price of each granted share at the grant date, taking into account all non-vesting conditions. The granted shares are automatically vested on the date of grant. The share-based compensation expenses is recognised in employee benefit expenses, together with a corresponding increase in equity.

2.23 Provisions

Provisions for environmental restoration, restructuring costs, and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.24 Revenue recognition

The Group are primarily engaged in the provision of property management services, related value-added services and city sanitation and cleaning services. Revenue from providing services is recognised in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs.

For property management services and city sanitation and cleaning services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group entitles to revenue at the value of property management services and city sanitation and cleaning services fee received or receivable. The revenue of the property management services income is primarily generated from properties managed under lump sum basis.

For value-added services related to non-property management (including pre-delivery services, household assistance services, property agency services and other services), the Group agrees the price for each service with the customers upfront and issues the monthly bill to the customers which varies based on the actual level of service completed in that month.

For value-added services related to property management, revenue is recognised when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

Revenue from sales of goods is recognised when the Group has delivered the goods to the purchaser and the collectability of related consideration is reasonably assured.

If contracts involve the sale of multiple services, the transaction price allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer when the right is conditional on something other than passage of time.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.24 Revenue recognition (Continued)

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Incremental costs incurred to obtain a contact, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised. The Group applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense immediately if the amortisation period is less than 12 months.

2.25 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.26 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the Group under residual value guarantees the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and, payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.26 Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise staff dormitories and small items of office furniture.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.29 Interest income

Interest income from financial assets at FVPL is included in the gains on redemption and disposal of financial assets at FVPL, see Note 10 below. Any other interest income is included in other income, see Note 9 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and price risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk arise primarily from its financial assets and liabilities denominated in HK$, US dollar ("US$") and Australia dollar ("AUD$"). These are not the functional currencies of the group entities to which these transactions relate. As the financial assets and liabilities denominated in HK$, US$ and AUD$ are insignificant, the exposure to foreign currency risk is considered minimal.

(ii) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings carried at floating rates expose the Group to cash flow interest-rate risk whereas those and lease liabilities carried at fixed rates expose the Group to fair value interest-rate risk.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

As at 31 December 2024 and 2023, management considers that Group's exposure to interest rate is considered immaterial.

3.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables (excluding prepayments), financial assets at FVPL and cash deposits at banks (including restricted cash). The carrying amounts of trade and other receivables (excluding prepayments), financial assets at FVPL, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

— internal credit rating

— external credit rating

— actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

— actual or expected significant changes in the operating results of individual property owner or the debtor

— significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

(a) Cash deposit at banks (including restricted cash)

The Group expects that there is no significant credit risk associated with cash deposits at banks (including restricted cash) since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. Future cash flows for each group of receivables are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor engage in a repayment plan with the Group, and a failure to make contractual payments. Trade receivables without known insolvencies are assessed on a collective basis based on shared credit risk characteristics.

Trade receivables have been assessed for impairment on a collective basis based on different credit risk characteristics. Trade receivables are categorised as follows for assessment purpose:

Group 1: Trade receivables due from third parties arising from resident properties

Group 2: Trade receivables due from third parties arising from non-resident properties

Group 3: Trade receivables due from related parties (excluding Greenland Holdings Group Company Limited ("Greenland Holdings") and its subsidiaries and joint ventures)

Group 4: Trade receivables due from Greenland Holdings and its subsidiaries and joint ventures

For trade receivables of group 1 and 2, the expected loss rates are based on the historical loss rates and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the most relevant factors for different group of customers (e.g. money supply and population percent change from a year earlier), and accordingly adjusts the historical loss rates based on expected changes in these factors.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables (Continued)

For trade receivables of group 3 and 4, the expected credit loss rate is estimated by considering the probability of default and loss given default and adjusting for forward-looking macroeconomic data.

As at 31 December 2024, the Group considers there has been a significant increase in credit risk on trade receivables of group 3 with gross amounts of RMB3,573,411,000. In May 2024, Agile Holdings was default in repaying the interest on the senior notes due 2025. Regarding the trade receivables of group 3, management assessed the expected credit losses by considering scenarios weightings, current situations and forecasts of future conditions of Agile Holdings, macroeconomic data and other factors. Management considered the expected credit losses amounting to RMB3,213,788,000 (31 December 2023: RMB357,557,000) were made against the gross amounts of trade receivables of group 3, and it may affect the expected credit losses of the trade receivables of group 3 if the macroeconomic data, scenarios weightings change.

(i) On that basis, as at 31 December 2024, the loss allowance provision for the trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables (Group 1)					
Expected loss rate	8.08%	21.45%	35.19%	61.47%	
Gross carrying amount (RMB'000)	974,465	345,102	188,409	277,916	1,785,892
Loss allowance provision (RMB'000)	78,782	74,037	66,296	170,822	389,937

	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables (Group 2)					
Expected loss rate	2.84%	15.99%	34.38%	88.80%	
Gross carrying amount (RMB'000)	1,949,735	428,844	209,987	71,001	2,659,567
Loss allowance provision (RMB'000)	55,401	68,576	72,187	63,046	259,210

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables (Continued)

(i) (Continued)

	Total
Trade receivables (Group 3)	
Expected loss rate	**89.94%**
Gross carrying amount (RMB'000)	**3,573,411**
Loss allowance provision (RMB'000)	**3,213,788**

	Total
Trade receivables (Group 4)	
Expected loss rate	**49.73%**
Gross carrying amount (RMB'000)	**407,306**
Loss allowance provision (RMB'000)	**202,559**

As at 31 December 2023, the loss allowance provision for the trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables (Group 1)					
Expected loss rate	7.29%	20.78%	36.07%	61.75%	
Gross carrying amount (RMB'000)	788,889	311,131	156,478	217,538	1,474,036
Loss allowance provision (RMB'000)	57,501	64,650	56,438	134,335	312,924

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade receivables (Continued)

(i) (Continued)

	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables (Group 2)					
Expected loss rate	2.92%	18.00%	48.33%	89.50%	
Gross carrying amount (RMB'000)	1,961,245	414,622	86,945	46,354	2,509,166
Loss allowance provision (RMB'000)	57,317	74,642	42,021	41,488	215,468

	Total
Trade receivables (Group 3)	
Expected loss rate	10.55%
Gross carrying amount (RMB'000)	3,387,830
Loss allowance provision (RMB'000)	357,557

	Total
Trade receivables (Group 4)	
Expected loss rate	49.88%
Gross carrying amount (RMB'000)	336,493
Loss allowance provision (RMB'000)	167,846

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(c) Other receivables

A summary of the assumptions underpinning the Group's expected credit loss model for other receivables is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Performing ("Stage 1")	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming ("Stage 2")	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Non-performing ("Stage 3")	Interest and/or principal repayments are 60 days past due	Lifetime expected losses

On that basis, as at 31 December 2024 and 2023, the loss allowance provision for the other receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

	Performing	Under-performing	Non-performing	Total
As at 31 December 2024				
Gross carrying amount (RMB'000)	**2,186,068**	**905,658**	**720,000**	**3,811,726**
Expected loss rate	**4.78%**	**57.36%**	**90.22%**	**33.41%**
Loss allowance provision (RMB'000)	**(104,480)**	**(519,525)**	**(649,580)**	**(1,273,585)**
As at 31 December 2023				
Gross carrying amount (RMB'000)	3,033,390	296,709	20,000	3,350,099
Expected loss rate	2.34%	59.25%	100.00%	7.97%
Loss allowance provision (RMB'000)	(71,088)	(175,800)	(20,000)	(266,888)

Details of the significant increase in gross balance in stage 2 and 3 are disclosed in Note 20(b) and 20(d).

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(d) As at 31 December 2024 and 2023, the loss allowance provision for trade and other receivables (excluding prepayments) reconciles to the opening loss allowance for that provision as follows:

	Trade receivables RMB'000	Other receivables (excluding prepayments) RMB'000	Total RMB'000
At 1 January 2024	**1,053,795**	**266,888**	**1,320,683**
Impact of acquisition of subsidiaries	**–**	**32**	**32**
Provision for loss allowance	**3,032,350**	**1,296,983**	**4,329,333**
Impact of disposal of subsidiaries	**(7,269)**	**(288,613)**	**(295,882)**
Receivables written off during the year as uncollectible	**(13,382)**	**(1,705)**	**(15,087)**
At 31 December 2024	**4,065,494**	**1,273,585**	**5,339,079**
At 1 January 2023	776,135	65,703	841,838
Provision for loss allowance	330,488	204,332	534,820
Receivables written off during the year as uncollectible	(52,828)	(3,147)	(55,975)
At 31 December 2023	1,053,795	266,888	1,320,683

(e) The Group's maximum exposure to credit risk at the end of reporting period is as follows:

	2024 RMB'000	2023 RMB'000
Trade and other receivables (excluding prepayments) (Note 20)	**6,898,823**	9,736,941
Restricted cash	**137,912**	167,912
Cash and cash equivalents (Note 23)	**3,315,850**	4,074,865
Financial assets at FVPL (excluding contingent consideration and Hong Kong listed equity securities) (Note 22)	**1,993,658**	1,999,014
	12,346,243	15,978,732

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including short-term and long-term borrowings and capital injection by the shareholders to meet its daily operation working capital requirements.

The table below set out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
As at 31 December 2024					
Borrowings	**259,776**	**174,095**	**47,397**	**–**	**481,268**
Trade and other payables*	**5,427,610**	**6,989**	**–**	**–**	**5,434,599**
Lease liabilities	**28,130**	**14,142**	**4,313**	**372**	**46,957**
	5,715,516	**195,226**	**51,710**	**372**	**5,962,824**
As at 31 December 2023					
Borrowings	193,965	61,937	58,508	–	314,410
Trade and other payables*	5,483,095	2,891	–	–	5,485,986
Lease liabilities	39,045	25,720	17,224	2,202	84,191
	5,716,105	90,548	75,732	2,202	5,884,587

* Trade and other payables in this analysis do not include the accrued payroll and other tax payables.

3.1.4 Price risk

The Group's exposure to equity securities price risk arises from Hong Kong listed equity securities held by the Group and classified in the consolidated balance sheet as financial assets at FVPL.

As at 31 December 2024 and 2023, management considers that price risk related to financial assets at FVPL was insignificant.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

The Group monitors its capital structure by maintaining its gearing ratio at a prudent level. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents and restricted cash.

As at 31 December 2024 and 2023, the Group maintained at net cash position.

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2024	Notes	**Level 1 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Financial assets				
Financial assets at FVPL				
Wealth management products	22	**–**	**300**	**300**
Trusts	22	**–**	**1,988,358**	**1,988,358**
Unlimited limited partnership	22	**–**	**5,000**	**5,000**
		–	**1,993,658**	**1,993,658**
Financial assets at FVOCI				
Unlisted equity securities	19	**–**	**12,418**	**12,418**
Total financial assets		**–**	**2,006,076**	**2,006,076**

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

Recurring fair value measurements At 31 December 2023	Notes	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVPL				
Wealth management products	22	–	3,000	3,000
Trusts	22	–	1,996,014	1,996,014
Hong Kong listed equity securities	22	1,098	–	1,098
Contingent consideration	22	–	3,238	3,238
		1,098	2,002,252	2,003,350
Financial assets at FVOCI				
Unlisted equity securities	19	–	12,593	12,593
Total financial assets		1,098	2,014,845	2,015,943

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses estimated discounted cash flows to make assumptions.

The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for wealth management products, trusts, contingent consideration and put option liability.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. For transfers into and out of level 3 measurements see (b) below.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) The Group's financial assets at fair values included wealth management products, trusts, structural deposits, contingent consideration and unlisted equity securities, fair value of which are estimated based on unobservable inputs (level 3). The following table presents the changes in level 3 instruments for the years ended 31 December 2024 and 31 December 2023:

	Financial assets at FVPL						
	Wealth management products RMB'000	Trust RMB'000	Unlisted limited partnership RMB'000	Contingent consideration RMB'000	Financial assets at FVOCI Unlisted entity securities RMB'000 (Note 19)	Financial liabilities for put options RMB'000	Total RMB'000
Opening balance as at 1 January 2024	3,000	1,996,014	-	3,238	12,593	-	2,014,845
Additions	783,750	-	5,000	-	-	-	788,750
Gains/(losses) recognised in profit or loss	2,596	19,601	-	(3,238)	-	-	18,959
Disposal of subsidiaries	(5,000)	-	-	-	-	-	(5,000)
Disposal and settlements	(784,046)	(27,257)	-	-	(175)	-	(811,478)
Closing balance as at 31 December 2024	300	1,988,358	5,000	-	12.418	-	2,006,076
Including unrealised gains/(losses) recognised in profit attributable to balances held at 31 December 2024	-	-	-	-	-	-	

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) (Continued)

	Financial assets at FVPL						
	Wealth management products RMB'000	Trust RMB'000	Structural deposits RMB'000	Contingent consideration RMB'000	Financial assets at FVOCI Unlisted entity securities RMB'000 (Note 19)	Financial liabilities for put options RMB'000	Total RMB'000
Opening balance as at 1 January 2023	1,500	1,040,000	–	3,238	12,593	(144,333)	912,998
Additions	1,190,750	935,000	–	–	–	–	2,125,750
Gains recognised in profit or loss	15,463	21,014	–	–	–	14,976	51,453
Finance costs	–	–	–	–	–	(312)	(312)
Disposals	(1,204,713)	–	–	–	–	–	(1,204,713)
Transfer to other payables upon exercise	–	–	–	–	–	129,669	129,669
Closing balance as at 31 December 2023	3,000	1,996,014	–	3,238	12,593	–	2,014,845
Including unrealised gains/(losses) recognised in profit attributable to balances held at 31 December 2023	–	21,014	–	–	–	(312)	20,702

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follows:

Description	Fair value at 31 December 2024 RMB'000	Valuation techniques	Unobservable input	Range (probability-weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	300	Discounted cash flow	Expected interest rate per annum	3.6%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB1,000
Trusts	1,988,358	Income approach	Expected interest rate per annum	4.2%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB3,040,000
Unlisted equity securities	12,418	Guideline public companies method	Expected net profit	RMB4,690,000	A change in expected net profit +/- 10% results in a change in fair value by RMB1,525,000
Unlisted limited partnership	5,000	Share of net assets	N/A	N/A	N/A

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) (Continued)

Description	Fair value at 31 December 2023 RMB'000	Valuation techniques	Unobservable input	Range (probability-weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	3,000	Discounted cash flow	Expected interest rate per annum	1.7%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB5,000
Trusts	1,996,014	Income approach	Expected interest rate per annum	6.2%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB4,702,000
Contingent consideration	3,238	Discounted cash flow	Expected net profit	RMB414,960,000	A change in expected net profit +/- 10% results in a decrease in fair value by RMB2,914,000
Unlisted equity securities	12,593	Guideline public companies method	Expected net profit	RMB4,518,000	A change in expected net profit +/- 10% results in a change in fair value by RMB1,493,000

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Estimated impairment of goodwill

The Group tests whether goodwill has suffered any impairment annually, or more frequently if events or changes in circumstances predict that goodwill may be impaired, in accordance with the accounting policy stated in Note 2.10, where the recoverable amounts of the CGUs is determined based on value-in-use ("VIU") calculations. These calculations require the use of estimates. Details of impairment assessment, key assumptions and impact of possible changes in key assumptions are disclosed in Note 17.

(b) Estimation of the useful life of customer relationship identified in business combination

Customer relationship and backlog identified in the business combination on respective acquisition date are recognised as intangible assets (Note 17). Customer relationship and backlog primarily related to the existing property management and city sanitation and cleaning contracts of acquirees on the acquisition date. A large portion of the existing property management contracts of acquirees are with no specific expiration date. Based on past experience, termination or non-renewal of these property management contracts with the property developers or property owners' association are uncommon. Other contracts are with remaining contract periods of one month to seventeen years. The Group thus estimates the useful life and determines the amortisation period of the customer relationship and backlog to be five to ten years based on the weighted average expected contract duration of the contracts.

However, the actual useful life may be shorter or longer than estimate, depending on acquirees' ability to secure its contracts and relationships with property developers or renew the contracts with property owners' associations in the future. Where the actual contract duration is different from the original estimate, such difference will impact the carrying amount of the intangible asset of customer relationship and the amortisation expenses in the periods in which such estimate has been changed.

(c) Expected credit losses on receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and loss allowance provision in the periods in which such estimate has been changed. For details of key assumptions and inputs used, please refer to Note 3.1.2 above.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different. Further disclosures regarding the current and deferred income tax are set out in Note 13 and Note 28 to the consolidated financial statements.

(e) Fair value measurement of financial instruments

Financial asset at FVPL and financial assets at FVOCI amounting to RMB1,993,658,000 (2023: RMB2,002,252,000) and RMB12,418,000 (2023: RMB12,593,000) respectively as at 31 December 2024 is measured at fair value with fair value being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Further disclosures regarding the fair value measurement of these financial assets are set out in Note 3.3 above.

(f) Fair value of investment properties

Investment properties are carried at fair value in the consolidated statement of balance sheet and the changes in the fair value recognised in the profit or loss. It obtains independent valuations at least annually. In making the judgement, consideration is given to assumptions that are mainly based on market conditions existing at the reporting date, expected rental from future leases in the light of current market conditions and appropriate capitalisation rates. Changes in subjective input assumptions can materially affect the fair value estimate. The key assumptions used in the valuation in determining fair value for the Group's portfolio of properties are set out in Note 16 to the consolidated financial statements.

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

During the years ended 31 December 2024 and 2023, the Group was principally engaged in the provision of (i) property management services, (ii) related value-added services, including pre-delivery services, household assistance services, property agency services and other services, and (iii) city sanitation and cleaning services in the PRC.

5. SEGMENT INFORMATION (Continued)

All the acquired subsidiaries were principally engaged in the provision of property management services, related value-added services and city sanitation and cleaning services. After acquisition, management reviews the operating results of the business of the acquired subsidiaries and the original business to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there are several operating segments, which are used to make strategic decisions.

For the year ended 31 December 2024 and 2023, all the operating segments are domiciled in the PRC and all the revenue are derived in the PRC. As at 31 December 2024 and 2023, the Group's assets are substantially located inside the PRC. Therefore, no geographical segments are presented.

6. 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 **RMB'000**	2023 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

(a) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Contract liabilities		
— Property management services	**1,499,005**	1,488,936
— Value-added services related to property management (note)	**7,784**	162,535
	1,506,789	1,651,471
Less: non-current portion of contract liabilities	**(91,719)**	(83,631)
Current portion of contract liabilities	**1,415,070**	1,567,840

Note: The significant decrease of contract liabilities as at 31 December 2024 is mainly due to the decrease in the deposits received as a result of decrease in revenue of value-added services related to property management during the reporting period.

6. REVENUE (Continued)

(a) Contract liabilities (Continued)

(i) The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from property management services.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
Property management services	**1,405,305**	1,159,739
Value-added services related to property management	**43,712**	180,538
	1,449,017	1,340,277

(iii) Unsatisfied performance obligations

For property management services, part of value-added services and city sanitation and cleaning services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts.

For other value-added services related to property management, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts.

7. EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Auditor's remunerations		
— Audit services	**5,550**	5,550
— Non-audit services	**–**	30
Advertising expenses	**47,803**	55,494
Catering outsourcing fee	**23,613**	26,808
Cleaning expenses	**1,559,744**	1,615,247
Cost of consumables	**467,874**	459,137
Cost of goods sold	**143,796**	620,100
Consulting fees	**84,676**	77,684
Depreciation and amortisation charges	**369,355**	392,182
Employee benefit expenses (Note 8)	**5,697,600**	6,183,903
Greening and gardening expenses	**276,518**	265,485
IT system maintenance expenses	**21,847**	43,030
Maintenance costs	**762,049**	727,849
Office expenses	**89,990**	90,826
Rental expenses paid relating to short-term and low-value leases (Note 15(b))	**132,595**	127,814
Security charges	**1,685,848**	1,653,647
Utilities	**675,062**	635,871
Taxes and other levies	**62,337**	73,595
Travelling and entertainment expenses	**118,324**	165,192
Transportation expenses and customer service charges	**104,765**	64,391
Others	**287,882**	451,865
	12,617,228	13,735,700

8. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Wages and salaries and bonus	**4,754,739**	5,201,749
Share-based payments (Note (a))	**–**	10,560
Contribution to pension scheme (Note (b))	**593,083**	525,335
Housing benefits	**100,690**	105,539
Other employee benefits (Note (c))	**249,088**	340,720
Total (including emoluments of directors and supervisors)	**5,697,600**	6,183,903

8. EMPLOYEE BENEFIT EXPENSES (Continued)

(a) On 21 July 2023, the Company received a notice from Gongqingcheng A-Living Investment Management Limited Partnership (共青城雅生活投資管理合夥企業(有限合夥)) ("Gongqingcheng Investment", one of the Company's shareholders) entered into share transfer agreements with 27 former and exiting senior management of the Group with outstanding contributions to the development of the Company (collectively, the "Purchasers"), pursuant to which Gongqingcheng Investment agreed to sell, and the Purchasers agreed to purchase, an aggregate of 3,100,470 overseas listed shares of the Company ("H Shares") at HK$0.33 transfer price per H Share.

During the year ended 31 December 2024, no share-based payment granted to senior management and employees of the Group (2023: RMB10,560,000).

(b) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

(c) Other employee benefits mainly include other social insurance expenses, meal, travelling and festival allowances.

(d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024 include two directors (2023: one director) and the directors' emoluments are reflected in the analysis shown in Note 38. The emoluments paid/payable to the remaining three individuals during the year ended 31 December 2024 (2023: four individuals) were as follows:

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	**3,274**	4,355
Share-based payments	**–**	2,623
Contribution to pension scheme	**67**	105
	3,341	7,083

8. EMPLOYEE BENEFIT EXPENSES (Continued)

(d) (Continued)

	Number of individuals Year ended 31 December	
	2024	2023
Emolument bands (in HK$)		
HK$1,000,001 — HK$1,500,000	**2**	–
HK$1,500,001 — HK$2,000,000	**1**	2
HK$2,000,001 — HK$2,500,000	**–**	2
HK$2,500,001 — HK$3,000,000	**–**	–
HK$3,000,001 — HK$3,500,000	**–**	–
HK$7,500,001 — HK$8,000,000	**–**	–

9. 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 (Note 36(e))	**450**	766
Tax incentives (Note (b))	**8,986**	20,246
Government grants (Note (a))	**30,389**	58,414
Rental income (Note 16)	**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.

10. OTHER (LOSSES)/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 (Note 22(a))	**(3,238)**	20,098
Gains on redemption and disposal on financial assets at FVPL (Note 22(a))	**22,209**	15,463
Gains from bargain purchase on acquisition of a subsidiary	**–**	186
(Losses)/Gains from disposal of subsidiaries (Note 35)	**(103,986)**	16,655
Fair value gains on put options	**–**	14,976
Fair value losses on investment properties (Note 16)	**(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

11. FINANCE COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Unwinding of discount on financial liabilities for put options (Note 29)	**–**	312
Interest expense of borrowings	**25,855**	13,367
Interest and finance charges paid/payable for lease liabilities (Note 15(b))	**2,977**	5,753
Interest expense of long-term payables	**–**	696
	28,832	20,128

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Particulars of the principal subsidiaries of the Group at 31 December 2024 are set out below:

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2024	2023	**2024**	2023
Directly held by the Company							
Guangzhou Agile Property Management Services Co., Ltd.* 廣州雅居樂物業管理服務有限公司	The PRC , Limited liability company	RMB1,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Guangzhou Yaxin Engineering Consultancy Co., Ltd.* 廣州市雅信工程諮詢有限公司	The PRC, Limited liability company	RMB1,000,000	House inspection services in Mainland of the PRC	**100%**	100%	**0%**	0%
Nanjing Zizhu Property Management Services Co., Ltd.* 南京紫竹物業管理股份有限公司	The PRC, Limited liability company	RMB11,764,705	Property management services in Mainland of the PRC	**51%**	51%	**49%**	49%
Harbin Jingyang Property Management Co.,Ltd.* ("Harbin Jingyang") 哈爾濱景陽物業管理有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	**100%**	99%	**0%**	1%
Qingdao Huaren Property Co., Ltd* ("Qingdao Huaren") 青島華仁物業股份有限公司	The PRC, Limited liability company	RMB46,875,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Kaiping Agile Enterprise Management Services Co., Ltd.* 開平雅居樂雅生活物業管理有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Foshan Nanhai Agile Property Management Services Co., Ltd.* 佛山市南海區雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Guangzhou Huadu Agile Property Management Services Co., Ltd. * 廣州市花都雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
A-Living Smart Property Services Co., Ltd.* (formerly known as: Hainan Agile Property Services Co., Ltd.*) 雅生活智慧物業服務有限公司 （前稱：海南雅居樂物業服務有限公司）	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Harrogate Property Services (Shanghai) Co., Ltd.* 雅萊格物業服務（上海）有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Guangzhou Harrogate Property Management Services Co., Ltd.* 廣州雅萊格物業管理服務有限公司	The PRC, Limited liability company	RMB1,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Particulars of the principal subsidiaries of the Group at 31 December 2024 are set out below: (Continued)

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2024	2023	**2024**	2023
Directly held by the Company (Continued)							
Guangzhou Yatian Network Technology Co., Ltd.* ("Guangzhou Yatian") 廣州市雅天網路科技有限公司	The PRC, Limited liability company	RMB10,000,000	Software engineering services in Mainland of the PRC	**100%**	100%	**0%**	0%
Guangzhou Yafang Travel Co., Ltd.* 廣州市雅方旅遊有限公司	The PRC, Limited liability company	RMB1,000,000	Travel agency services in Mainland of the PRC	**100%**	100%	**0%**	0%
Guangzhou Yatao Advertisement Co., Ltd.* 廣州市雅韜廣告有限公司	The PRC, Limited liability company	RMB1,000,000	Advertising services in Mainland of the PRC	**100%**	100%	**0%**	0%
A-TRO Properties Consultancy Co, Ltd.* 雅卓房地產顧問有限公司	The PRC, Limited liability company	RMB1,000,000	Real estate marketing services in Mainland of the PRC	**100%**	100%	**0%**	0%
Greenland Property Services Co., Ltd.* ("Greenland Property Services") 上海綠地物業服務有限公司	The PRC, Limited liability company	RMB50,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Shandong A-Living Changbo Property Services Co., Ltd.* 山東雅生活暢博物業服務有限公司	The PRC, Limited liability company	RMB1,451,500	Property management services in Mainland of the PRC	**60%**	60%	**40%**	40%
Shenzhen Jingji Domestic Property Management Co., Ltd.* 深圳市京基住宅物業管理有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Zhanjiang Xiyue Jingjicheng Property Services Co., Ltd* 湛江市西粵京基城物業服務有限公司	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	**100%**	100%	**0%**	0%
Indirectly held by the Company							
A-Living Holdings (Hong Kong) Limited 雅生活控股（香港）有限公司	Hong Kong, Limited liability company	HK$62,115,600	General trading, business consulting services, electronic commerce and investment in Hong Kong	**100%**	100%	**0%**	0%
Guangzhou Yatong Intelligent Technology Co., Ltd.* 廣州市雅通智能科技有限公司	The PRC, Limited liability company	RMB1,000,000	Information technology consulting service in Mainland of the PRC	**51%**	51%	**49%**	49%
Heilongjiang Yatian Network Technology Co., Ltd.* 黑龍江雅天網路科技有限公司	The PRC, Limited liability company	RMB6,400,000	Software engineering services in Mainland of the PRC	**100%**	100%	**0%**	0%
Nantong Yazhuo Real Estate Marketing Co., Ltd.* 南通雅卓房地產行銷有限公司	The PRC, Limited liability company	RMB1,000,000	Real estate marketing services in Mainland of the PRC	**100%**	100%	**0%**	0%

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Particulars of the principal subsidiaries of the Group at 31 December 2024 are set out below: (Continued)

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group 2024	Ownership interest held by the Group 2023	Ownership interest held by non-controlling interests 2024	Ownership interest held by non-controlling interests 2023
Indirectly held by the Company (Continued)							
HK A-TRO Property Marking Co., Ltd. 香港雅卓房地產營銷有限公司	Hong Kong, Limited liability company	HK$1,000,000	Real estate marketing services in Hong Kong	**100%**	100%	**0%**	0%
Guangzhou Yuehua Property Co., Ltd.* 廣州粵華物業有限公司	The PRC, Limited liability company	RMB10,300,000	Property management services in Mainland of the PRC	**83%**	83%	**17%**	17%
Chongqing Haitai Management Services Company Limited* (Note (i)) 重慶海泰管理服務有限公司	The PRC, Limited liability company	RMB20,000,000	Management services in Mainland of the PRC	**31%**	31%	**69%**	69%
Xi'an Jintian Property Management Services Company Limited* (Note (i)) 西安錦天物業管理服務有限公司	The PRC, Limited liability company	RMB20,000,000	Property management services in Mainland of the PRC	**-**	31%	**-**	69%
Shanghai Minghua Property Management Company Limited* 上海明華智慧城市運營管理有限公司	The PRC, Limited liability company	RMB70,000,000	Property management services in Mainland of the PRC	**59.4%**	59.4%	**40.6%**	40.6%
Changzhou Zhongfang Property Company Limited* (Note (i)) 常州中房物業有限公司	The PRC, Limited liability company	RMB10,800,000	Property management services in Mainland of the PRC	**42%**	42%	**58%**	58%
Shanghai Ruixiang Shangfang Property Management Company Limited* (Note (i)) 上海鋭翔上房物業管理有限公司	The PRC, Limited liability company	RMB12,000,000	Property management services in Mainland of the PRC	**60%**	60%	**40%**	40%
A-Living Futurelife Property Management Limited* 雅生活未來物業管理服務有限公司	The PRC, Limited liability company	RMB1,400,000,000	Property management services in Mainland of the PRC	**60%**	60%	**40%**	40%
Shenzhen Longcheng Property Management Company Limited* (Note (i)) 龍城城市運營服務集團有限公司	The PRC, Limited liability company	RMB73,840,000	Property management services in Mainland of the PRC	**38%**	38%	**62%**	62%
Shanghai Kerui Real Estate Management Development Co., Ltd.* (Note (i)) 上海科瑞物業管理發展有限公司	The PRC, Limited liability company	RMB20,000,000	Property management services in Mainland of the PRC	**31%**	31%	**69%**	69%
Beijing Huifeng Qingxuan Environmental Technology Group Company Limited* 北京慧豐清軒環境科技集團有限公司	The PRC, Limited liability company	RMB80,000,000	Sanitation services in Mainland of the PRC	**51%**	51%	**49%**	49%
Shaanxi Mingtang Sanitation Company Limited* 陝西明堂環衛有限公司	The PRC, Limited liability company	RMB30,000,000	Sanitation services in Mainland of the PRC	**60%**	60%	**40%**	40%
A-living Mingri Environmental Development Co., Ltd.* 雅生活明日環境發展有限公司	The PRC, Limited liability company	RMB99,900,000	Sanitation services in Mainland of the PRC	**51%**	51%	**49%**	49%

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Particulars of the principal subsidiaries of the Group at 31 December 2024 are set out below: (Continued)

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2024	2023	2024	2023
Indirectly held by the Company (Continued)							
Tiantongyuan Community Management Services Group Limited ("Tiantongyuan") 天通苑社區服務集團有限公司	Cayman Islands, Limited liability company	HK$10	Investment holding	**100%**	100%	**0%**	0%
Shandong Hongtai Property Development Company Limited* ("Shandong Hongtai") 山東宏泰物業發展有限公司	The PRC, Limited liability company	RMB74,000,000	Property management services in Mainland of the PRC	**86%**	86%	**14%**	14%
Guangzhou Weixiang Internet Technology Company Limited* (Note (ii)) 廣州為想互聯網科技有限公司	The PRC, Limited liability company	RMB10,184,614	Household services in Mainland of the PRC	**0%**	39%	**0%**	61%
Dalian Yimei Enterprise Management Service Company Limited* 大連意美企業管理服務有限公司	The PRC, Limited liability company	RMB11,784,652	Sanitation services in Mainland of the PRC	**56%**	56%	**44%**	44%

(i) The Group indirectly holds the equity interest in these companies through layers of holding structures and the Group has control over the board of directors of these companies who can make majority votes to decide the key financial and operating decisions of these companies. The proportion of equity interests as disclosed above represent the effective equity interests attributable to the Group.

(ii) The Group does not hold over 50% ownership in equity of this entity or its subsidiaries. Nevertheless, under an agreement entered into with the certain equity owners of this entity, the Group controls this entity by way of controlling the voting rights, governing their financial and operating policies, appointing or removing the majority of the members of their controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, such agreement also transfer the risks and rewards of this entity to the Group. As a result, they are presented as controlled entities of the Group.

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(b) Investments accounted for using the equity method

In the opinion of the directors, there is no associate and joint venture individually material to the Group.

The following table illustrates the aggregate summarized financial information of the Group's associates that are not individually material:

	2024 RMB'000	2023 RMB'000
Share of post-tax profits of joint ventures and associates	**17,682**	44,937
Aggregate carrying amounts of the Group's investments accounted for using the equity method	**1,105,188**	1,202,285

The carrying amount of equity-accounted investments has changed as follows in the years ended 31 December 2024 and 2023:

	2024 RMB'000	2023 RMB'000
At beginning of the year	**1,202,285**	1,169,571
Additions	**274,722**	2,701
Share of post-tax profits of joint ventures and associates	**17,682**	44,937
Dividends declared	**(15,334)**	(17,423)
Transfer from subsidiaries (Note 35)	**5,235**	300
Transfer to subsidiaries	**(20,923)**	
Disposal arising from disposals of subsidiaries	**(358,479)**	–
Others	**–**	2,199
At the end of the year	**1,105,188**	1,202,285

(c) Subsidiary with material non-controlling interests

Nature of investment in the subsidiary with material non-controlling interests

Name of entity	Place of business/ country of incorporation	% of ownership interest
A-Living Futurelife PM 雅生活未來物業管理服務有限公司	The PRC	60%

12. SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(c) Subsidiary with material non-controlling interests (Continued)

(i) Summarised balance sheet

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Current assets	**2,715,506**	2,557,069
Current liabilities	**(1,740,127)**	(1,689,883)
Current net assets	**975,379**	867,186
Non-current assets	**1,251,593**	1,271,592
Non-current liabilities	**(123,601)**	(131,050)
Non-current net assets	**1,127,992**	1,140,542
Net assets	**2,103,371**	2,007,728
Accumulated NCI	**1,035,738**	1,053,469

(ii) Summarised statement of comprehensive income

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Revenue	**4,176,738**	4,305,965
Profit for the year	**139,506**	241,924
Other comprehensive loss	**–**	–
Total comprehensive income	**139,506**	241,924
Profit allocated to NCI	**70,869**	122,073
Dividends declared to NCI	**(65,965)**	(79,749)

(iii) Summarised cash flows

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Cash flows from operating activities	**63,866**	281,415
Cash flows used in investing activities	**(15,824)**	(32,278)
Cash flows from/(used in) financing activities	**13,926**	(296,071)
Net increase/(decrease) in cash and cash equivalents	**61,968**	(46,934)

13. 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 (Note 28)	**(717,957)**	(141,805)
Income tax (credit)/expense	**(377,700)**	349,811

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the respective tax rate applicable to profits of the group entities as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax	**(3,504,588)**	1,048,544
Tax charge at effective rate applicable to profits in the respective group entities	**(862,812)**	228,845
Tax effects of:		
— Expenses not deductible for tax purposes	**64,849**	104,582
— Reversal of deferred tax assets recognised for tax losses in prior years	**–**	23,035
— Tax rate change on deferred tax	**–**	(15,368)
— Associates' and joint ventures' results reported net of tax	**(4,420)**	(10,812)
— Tax losses for which no deferred income tax asset was recognised	**7,137**	21,206
— Utilisation of tax losses previously not recognised	**(2,380)**	(1,677)
— Tax effect of deductible temporary differences not recognised	**419,926**	–
Income tax charged for the year	**(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%.

13. INCOME TAX (CREDIT)/EXPENSES (Continued)

PRC corporate income tax (Continued)

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.

14. (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 **RMB'000**	2023 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

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

(a) Movements

	Buildings RMB'000	Transportation equipment RMB'000	Office equipment RMB'000	Machinery RMB'000	Subtotal RMB'000	Right-of-use assets RMB'000	Total 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 (Note 32)	**-**	**-**	**-**	**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**
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

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(a) Movements (Continued)

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 (2023: RMB89,455,000) were pledged as collateral for the Group's borrowings (Note 26).

(b) Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Right-of-use assets		
Buildings	**31,237**	55,675
Equipment	**22,904**	26,836
	54,141	82,511
Lease liabilities		
Current	**27,335**	35,715
Non-current	**17,714**	42,069
	45,049	77,784

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(b) Leases (Continued)

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
Depreciation charge of right-of-use assets			
— Buildings		**(26,529)**	(26,701)
— Equipment		**(5,930)**	(9,380)
		(32,459)	(36,081)
Interest expense (included in finance costs)	11	**(2,977)**	(5,753)
Rental expenses relating to short-term and low-value leases (included in cost of sales and administrative expenses)	7	**(132,595)**	(127,814)

Total cash outflow for lease in year ended 31 December 2024 was RMB172,092,000 (2023: RMB174,849,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and staff dormitories. Rental contracts are typically made for fixed periods of three months to 15 years (2023: three months to 15 years).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

16. 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 10)	(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 10)	**(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 RMB'000	2023 RMB'000
Other income (Note 9)	**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).

16. INVESTMENT PROPERTIES (Continued)

(e) Valuation processes and techniques (Continued)

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

17. 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 (Note 32)	**-**	**-**	**-**	**-**	**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**
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

17. INTANGIBLE ASSETS (Continued)

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

Impairment tests for goodwill arising from business combinations

Goodwill of RMB2,551,858,000 (2023: RMB2,887,011,000) arising from business combinations has been allocated to the CGUs of subsidiaries acquired in prior years for impairment testing. Management performed an impairment assessment on the goodwill as at 31 December 2024. The net book amount of goodwill is allocated in CGUs as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Greenland Property Services	**776,623**	776,623
A-Living Futurelife PM	**742,071**	757,271
Others (note)	**1,033,164**	1,353,117
	2,551,858	2,887,011

Note: Others are individually below RMB270,000,000, which is considered not significant and therefore analysed in aggregate.

As at 31 December 2024, the recoverable amount of all CGUs have been assessed by an independent valuer or the management, which was determined based on VIU method. The VIU of all CGUs used discounted cash flow based on financial projections approved by management covering a five-year period. The VIU results of CGUs other than Shaanxi Mingtang Sanitation Company Limited ("Shaanxi Mingtan"), A-Living Mingri Environmental Development Co., Ltd . ("A-Living Mingri") and Beijing Huifeng Qingxuan Environmental Technology Group Company Limited ("Beijing Huifeng") CGUs were assessed to exceed their carrying amounts as at 31 December 2024.

By reference to the recoverable amount assessed by the independent valuer or management as at 31 December 2024, the directors of the Company determined that impairment provision on goodwill of RMB246,206,000 (2023: RMB427,890,000) was required for the year ended 31 December 2024 and the accumulated impairment provision on goodwill was amounted to RMB593,568,000 (31 December 2023: RMB427,890,000).

As at 31 December 2024, management reassessed the key assumptions for impairment testing of goodwill of the three CGUs primarily involved in city services. It was considered that the Group proactively adjusted projects with poor payment collection with a focus on the overall fee collection efficiency and project quality of city services, resulting in a decreased overall scale in the future. According to management's estimation of the recoverable amount of these CGUs with the assistance of an independent valuer, impairment of goodwill of approximately RMB246,206,000 was recognised for these three CGUs in city services, resulting in a reduction in carrying amount of the goodwill of the respective CGUs to RMB91,263,000.

17. INTANGIBLE ASSETS (Continued)

As at 31 December 2024, management reassessed the key assumptions for impairment testing of goodwill of the other CGUs. Based on the assessment, the Group considered that no additional impairment of goodwill was required.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	Greenland Property Services	A-Living Futurelife PM	Others
2024			
Compound annual growth rate of revenue during the projection period (%)	**12.8%**	**3.3%**	**-17.5%~6.7%**
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period (%)	**14.5%~14.6%**	**7.6%-8.5%**	**7.1%~31.7%**
Average trade receivables turnover days	**166~199 days**	**76 days**	**12~706 days**
Long term growth rate (%)	**2.0%**	**2.0%**	**2.0%**
Pre-tax discount rate (%)	**20.3%**	**19.3%**	**15.6%~21.6%**
2023			
Compound annual growth rate of revenue during the projection period (%)	17.3%	4.7%	0.1%~24.0%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period (%)	11.9%~12.0%	8.2%-8.7%	-26.9%~27.4%
Average trade receivables turnover days	158~180 days	74 days	2~270 days
Long term growth rate (%)	2.5%	2.5%	2.5%
Pre-tax discount rate (%)	21.4%	20.4%	16.4%~23.4%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Compound annual growth rate of revenue	Based on past performance and management's expectations of market development. For Greenland Property Services, year-on-year increment in projected revenue is mainly attributable to the estimated incremental gross floor area under management as committed by Greenland Holdings according to the investment cooperation framework agreement.
EBITDA margin	Based on past performance and management's expectations for the future.
Average trade receivables turnover days	Based on past performance and management's expectations for the future.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Pre-tax discount rate	Reflect specific risks relating to the relevant CGUs

17. INTANGIBLE ASSETS (Continued)

Details of the headroom (the excess of the recoverable amounts over the carrying amounts) attributable to the Group for Greenland Property Services and A-Living Futurelife PM as at 31 December 2024 are set out as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
A-Living Futurelife PM	**222,002**	338,307
Greenland Property Services	**22,639**	N/A

Management has undertaken sensitivity analysis on the impairment tests of goodwill. The following table sets forth all possible changes to the key assumptions of the impairment tests and the changes taken in isolation in the VIU calculations for Greenland and A-Living Futurelife PM that would remove the remaining headroom respectively as at 31 December 2024 and 2023:

	Possible changes to the key assumptions	
As at 31 December 2024	**A-Living Futurelife PM**	**Greenland Property Services**
Compound annual growth rate of revenue	**-3.18%**	**-0.75%**
EBITDA margin	**-0.84%**	**-0.42%**
Average trade receivables turnover days	**+17.15 days**	**+7.94 days**
Long term growth rate	**-2.72%**	**-0.59%**
Pre-tax discount rate	**2.20%**	**0.51%**

	Possible changes to the key assumptions	
As at 31 December 2023	A-Living Futurelife PM	Greenland Property Services
Compound annual growth rate of revenue	-4.59%	N/A
EBITDA margin	-1.22%	N/A
Average trade receivables turnover days	+23.59 days	N/A
Long term growth rate	-4.44%	N/A
Pre-tax discount rate	3.36%	N/A

18. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost		
— Trade and other receivables excluding prepayments (Note 20)	**6,898,823**	9,736,941
— Cash and cash equivalents (Note 23)	**3,315,850**	4,074,865
— Restricted cash	**137,912**	167,912
	10,352,585	13,979,718
Financial assets at FVPL (Note 22)	**1,993,658**	2,003,350
Financial assets at FVOCI (Note 19)	**12,418**	12,593
	12,358,661	15,995,661
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings (Note 26)	**461,674**	296,755
Lease liabilities (Note 15(b))	**45,049**	77,784
Trade and other payables excluding non-financial liabilities (Note 27)	**5,434,599**	5,485,986
	5,941,322	5,860,525

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

(a) Classification of financial assets at FVOCI

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

(b) Equity investments at FVOCI

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current assets		
Unlisted securities	**12,418**	12,593

As at 31 December 2024, financial assets at FVOCI were all denominated in RMB.

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables (Note (a))		
— Related parties (Note 36(d))	**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 (Note (b), (c) and Note 36(d))	**1,016,599**	875,453
— Third parties (Note (d))	**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 (Note 36(d))	**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

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(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) (Note 26).

(b) As at 31 December 2024, the Group considers there has been a significant increase in credit risk on other receivable due from related parties with gross amounts of RMB700,000,000 deposit, which paid to Agile Holdings for parking space leasing and sales agency service and the deposit is secured by certain car-parking space of Agile Holdings. Regarding this other receivable, management assessed the expected credit losses by considering scenarios weightings, current situations and forecasts of future conditions of Agile Holdings, macroeconomic data and other factors. Management considered the expected credit losses amounting to RMB629,580,000 (31 December 2023: RMB11,439,000) were made against the gross amounts of other receivable due from related parties, and it may affect the expected credit losses of the other receivables due from related parties if the macroeconomic data, scenarios weightings change.

(c) Included in receivables due from related parties as at 31 December 2024, there were interest-bearing advances to related parties of RMB105,750,000 (2023: RMB79,544,000), which are unsecured, interest-bearing ranging at 0.5% (2023: 0% to 0.5%) per annum and are repayable within one year or on demand, refer to Note 36(e) for details; and rental deposits which are repayable upon maturity of rental period according to the respective contracts.

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(d) Other receivables due from third parties mainly consist of deposits, advances to third parties and payment on behalf of residents.

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.

Included in other receivables as at 31 December 2024, there are advances to third parties of RMB520,000,000 (originally advanced in 2023 with 2% annual interest and repayable within one year) ("Original Advances"), the Group entered into tripartite agreements with these third parties to settle the Original Advances. Under the agreements, the third parties transferred the entire equity interests in their subsidiaries to the Group to settle the Original Advances in full. The net assets of these subsidiaries mainly included receivables of RMB815,333,000, cash and cash equivalents of RMB51,139,000, and payables of RMB340,051,000, which were recognized in "Other Receivables", "Cash and cash equivalents" and "Other Payables" at the date of transfer respectively. A loss allowance of RMB391,792,000 was recognised against the transferred receivables as at 31 December 2024.

(e) 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.

21. INVENTORIES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Consumables	**33,299**	37,721
Food and beverage	**320**	797
	33,619	38,518

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current assets		
Contingent consideration	**–**	3,238
Current assets		
Wealth management products	**300**	3,000
Trust	**1,988,358**	1,996,014
Hong Kong listed equity securities	**–**	1,098
Unlisted limited partnership	**5,000**	–
	1,993,658	2,000,112
	1,993,658	2,003,350

(a) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Gains on redemption and disposal on financial assets at FVPL	**22,209**	15,463
Fair value (losses)/gains on financial assets at FVPL recognised in other (losses)/gains-net	**(3,238)**	20,098
	18,971	35,561

(b) Risk exposure and fair value measurements

For information about the methods and assumptions used in determining fair value refer to Note 3.3.

As at 31 December 2024 and 2023, financial assets at FVPL were all of denominated in RMB, except for Hong Kong listed equity securities which were denominated in HK$.

23. 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.

24. SHARE CAPITAL

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

25. OTHER RESERVES

	Share premium RMB'000	Statutory reserve RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2023	5,251,083	384,103	52,402	5,687,588
Share of other comprehensive income of associates and joint ventures	–	–	2,199	2,199
Other comprehensive expenses	–	–	2,199	2,199
Appropriation of statutory reserves (Note)	–	14,065	–	14,065
Share-based payments	–	–	10,560	10,560
Exercise of put option	–	–	25,413	25,413
Other transaction with NCI (Note (34))	–	–	(114,794)	(114,794)
As at 31 December 2023 and 1 January 2024	**5,251,083**	**398,168**	**(24,220)**	**5,625,031**
Other transaction with NCI (Note (34))	**–**	**–**	**(6,878)**	**(6,878)**
As at 31 December 2024	**5,251,083**	**398,168**	**(31,098)**	**5,618,153**

Note: In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

26. BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current liabilities:		
— secured	**123,575**	40,056
— unsecured	**89,704**	75,313
	213,279	115,369
Current liabilities:		
— secured	**132,681**	105,778
— unsecured	**115,714**	75,608
	248,395	181,386
Total bank and other borrowings	**461,674**	296,755

The Group's borrowings as at 31 December 2024 of RMB256,256,000 (2023: RMB145,834,000) were mainly secured by certain self-used PPE of the Group with net book amount of RMB154,526,000 (2023: RMB89,455,000) pledged by certain investment properties with market value of RMB27,524,000 (2023: RMB15,965,000) and pledged by trade receivables of RMB113,641,000 (2023: RMB65,422,000).

As at 31 December 2024, the Group's bank and other borrowings were repayable as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 year	**248,395**	181,386
Over 1 year and within 2 years	**166,956**	57,980
Over 2 year and within 5 years	**46,323**	57,389
	461,674	296,755

The weighted average effective interest rate for the year ended 31 December 2024 was 4.10% per annum (2023: 4.89% per annum).

The carrying amounts of the bank and other borrowings are denominated in RMB.

27. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables		
— Related parties (Note 36 (d))	**140,496**	57,824
— Third parties	**2,776,681**	2,886,533
	2,917,177	2,944,357
Other payables		
— Related parties (Note 36 (d))	**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.

28. DEFERRED INCOME TAX

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Deferred income tax assets:		
— Deferred tax assets to be recovered after more than 12 months	**937,923**	194,613
— Deferred tax assets to be recovered within 12 months	**60,725**	216,476
— Set-off of deferred tax liabilities pursuant to set-off provisions	**(21,580)**	(25,907)
	977,068	385,182
Deferred income tax liabilities:		
— Deferred tax liabilities to be recovered after more than 12 months	**(262,500)**	(324,131)
— Deferred tax liabilities to be recovered within 12 months	**(5,888)**	(14,928)
— Set-off of deferred tax liabilities pursuant to set-off provisions	**21,580**	25,907
	(246,808)	(313,152)
	730,260	72,030

The movement in deferred income tax assets and liabilities during the years ended 31 December 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets - allowance on doubtful debts RMB'000	Deferred tax assets - deductible tax losses RMB'000	Deferred tax assets - accrued expenses RMB'000	Deferred tax assets - lease liabilities RMB'000	Deferred tax assets - others RMB'000	Deferred tax assets - financial assets at FVOCI RMB'000	Deferred tax assets/ (liabilities) - financial assets at FVPL RMB'000	Deferred tax liabilities - excess of carrying amount of other intangible assets over the tax bases RMB'000	Deferred tax liabilities - right-of-use assets RMB'000	Deferred tax liabilities - differences on recognition of depreciation RMB'000	Total RMB'000
As at 1 January 2023	204,673	29,621	48,998	-	4,178	1,328	4,981	(354,159)	-	(6,198)	(66,578)
Change in accounting policy	-	-	-	12,929	-	-	-	-	(12,929)	-	-
Credited/(charged) to the consolidated income statement (note 13)	113,559	(11,568)	8,403	6,517	(4,178)	-	(13,940)	50,316	(7,699)	395	141,805
Disposal of subsidiaries	(2,094)	(1,277)	-	-	-	-	-	-	-	174	(3,197)
As at 31 December 2023 and 1 January 2024	**316,138**	**16,776**	**57,401**	**19,446**	**-**	**1,328**	**(8,959)**	**(303,843)**	**(20,628)**	**(5,629)**	**72,030**
Credited/(charged) to the consolidated income statement (note 13)	**653,871**	**8,423**	**10,207**	**(8,184)**	**-**	**-**	**10**	**46,414**	**7,093**	**123**	**717,957**
Acquisition of subsidiaries	**37**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37**
Disposal of subsidiaries	**(76,795)**	**-**	**-**	**-**	**-**	**-**	**-**	**17,031**	**-**	**-**	**(59,764)**
As at 31 December 2024	**893,251**	**25,199**	**67,608**	**11,262**	**-**	**1,328**	**(8,949)**	**(240,398)**	**(13,535)**	**(5,506)**	**730,260**

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of RMB7,137,000 (2023: RMB21,206,000) in respect of tax losses amounting to RMB28,549,000 (2023: RMB133,804,000) as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

29. FINANCIAL LIABILITIES FOR PUT OPTIONS

There are several put options guaranteed to the non-controlling shareholders of certain subsidiaries of the Group which they had the right to sell the remaining equity interests to the Group.

In March 2019, the Company entered into equity interests transfer agreement with the NCI of Harbin Jingyang, pursuant to which, the Company issued put option to the NCI which grant its right to sell the 32% equity interest in Harbin Jingyang back to the Company and would be expired in 2022. The put option written on the NCI of Harbin Jingyang was then regarded as redemption liabilities determined as the present value of future cash outflows assuming the exercise of the put option by the non-controlling interests, with corresponding charges in equity.

In April 2019, the Company entered into equity interests transfer agreement with the NCI of Qingdao Huaren, pursuant to which, the Company issued put option to the NCI which grant its right to sell the all remaining equity interest in Qingdao Huaren back to the Company and would be expired during 2023 to 2024. The put option written on the NCI of Qingdao Huaren was then regarded as redemption liabilities determined as the present value of future cash outflows assuming the exercise of the put option by the NCI, with corresponding charges in equity.

In July 2023, the Company completed an acquisition of the remaining 32.0% equity interest of Harbin Jingyang from a minority shareholder for RMB106,463,000. The consideration would be settled by installments. As of 31 December 2023, RMB10,000,000 has been paid for settlement.

In September 2023, the Company completed an acquisition of the remaining 10.31% equity interest of Qingdao Huaren for RMB23,207,000 from 11 minority shareholder, which has been fully settled during the year ended 31 December 2023.

The valuation of the redemption liabilities for initial recognition was determined using the discounted cash flow method under the income approach. The significant unobservable inputs are expected discount rate as at the exit date which was determined by the probability-weighted average of floating premiums under three financial projection scenarios prepared by management, and the expected discount rate which was determined using the capital asset pricing model. The redemption liabilities are subsequently accreted through "finance costs".

The movement of the redemption liabilities is set out below:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Opening balance	**–**	144,333
Changes in fair value	**–**	(14,976)
Changes in discounted present value (Note 11)	**–**	312
Transfer to other payables upon exercise	**–**	(129,669)
	–	–
Less: current portion	**–**	–
Non-current portion	**–**	–

30. DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

	As at 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 dividends 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.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year of RMB0.06 per share (2023: nil)	**85,200**	–
Interim dividend in respect of the previous financial year, approved and paid during the year of RMB0.025 per share (2023: nil)	**35,500**	–
	120,700	–

31. CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax	**(3,504,588)**	1,048,544
Adjustments for:		
— Depreciation of PPE (Note 15(a))	**147,097**	153,072
— Amortisation of intangible assets (Note 17)	**189,799**	203,029
— Amortisation of right-of-use assets (Note 15(b))	**32,459**	36,081
— Impairment losses on financial assets	**4,329,333**	534,820
— Impairment losses on goodwill	**246,206**	427,890
— Impairment losses on prepayment	**37,113**	4,716
— Losses/(gains) on disposal of PPE, intangible assets and investment properties (Note 10)	**6,900**	(26,183)
— Share of post-tax profits of joint ventures and associates (Note 12(b))	**(17,682)**	(44,937)
— Interest income from loans to related parties (Note 9)	**(450)**	(766)
— Interest income from deposits and loans to third parties	**(60,509)**	(110,061)
— Losses from disposal of investments accounted for using the equity method (Note 10)	**127,602**	–
— Gains on redemption and disposal of financial assets at FVPL (Note 10)	**(22,209)**	(15,463)
— Fair value (losses)/gains on financial assets at FVPL (Note 10)	**3,238**	(20,098)
— Fair value gains on put options (Note 10)	**–**	(14,976)
— Fair value losses on investment properties (Note 10)	**10,365**	10,100
— Gains from bargain purchase on acquisition of a subsidiary	**–**	(186)
— Losses/(gains) on disposal of subsidiaries (Note 10)	**103,986**	(16,655)
— Dividend income	**–**	(921)
— Finance costs (Note 11)	**28,832**	20,128
— Foreign exchange losses/(gains)	**1,354**	(5,385)
— Share-based payments	**–**	10,560
Changes in working capital:		
— Restricted cash	**30,000**	(110,121)
— Inventories	**3,581**	8,469
— Trade and other receivables	**(1,072,823)**	(1,529,589)
— Trade and other payables	**206,216**	618,845
— Contract liabilities	**46,563**	291,467
	872,383	1,472,380

31. CASH FLOW INFORMATION (Continued)

(b) A reconciliation of liabilities arising from financing activities is as follows:

	Borrowings RMB'000 (Note 26)	Lease liabilities RMB'000 (Note 15(b))	Dividends payable RMB'000 (Note 27)	Other payables – related parties RMB'000 (Note 36(d))	Other payables – third parties (excluding trade nature) RMB'000	Total RMB'000
As at 1 January 2023	104,820	52,190	117,126	252,927	31,793	558,856
Cash flows						
– Inflow from financing activities	339,035	–	–	–	6,875	345,910
– Outflow from financing activities	(147,100)	(47,035)	(195,215)	–	(6,988)	(396,338)
– Outflow from operating activities	–	–	–	(148,875)	–	(148,875)
Non-cash changes						
– Additions of lease liabilities	–	79,279	–	–	–	79,279
– Finance costs recognised (Note 11)	–	5,753	–	–	–	5,753
– Accrued dividends	–	–	196,753	–	–	196,753
– Disposal of ROU	–	(12,403)	–	–	–	(12,403)
As at 31 December 2023 and 1 January 2024	**296,755**	**77,784**	**118,664**	**104,052**	**31,680**	**628,935**
Cash flows						
– Inflow from financing activities	**492,091**	**-**	**-**	**-**	**905**	**492,996**
– Outflow from financing activities	**(307,472)**	**(39,497)**	**(283,514)**	**-**	**(834)**	**(631,317)**
– Inflow from operating activities	**-**	**-**	**-**	**46,613**	**-**	**46,613**
Non-cash changes						
– Additions of lease liabilities	**-**	**14,862**	**-**	**-**	**-**	**14,862**
– Finance costs recognised (Note 11)	**-**	**2,977**	**-**	**-**	**-**	**2,977**
– Accrued dividends	**-**	**-**	**245,012**	**-**	**-**	**245,012**
– Acquisition of subsidiaries (Note 32)	**300**	**361**	**-**	**-**	**-**	**661**
– Disposal of subsidiaries	**(20,000)**	**(9,123)**	**-**	**-**	**-**	**(29,123)**
– Disposal of ROU	**-**	**(2,315)**	**-**	**-**	**-**	**(2,315)**
As at 31 December 2024	**461,674**	**45,049**	**80,162**	**150,665**	**31,751**	**769,301**

31. CASH FLOW INFORMATION (Continued)

(c) Non cash transactions

i. The Group entered into certain lease contracts in which additions of ROU and lease liabilities amounting to RMB14,862,000 (2023: RMB79,279,000) was recognised during the year ended 31 December 2024.

ii. Trade receivables of RMB81,471,000 (2023: RMB590,798,000) was settled by transfer of certain investment properties and properties by the trade receivables.

iii. The Group entered into a tripartite agreement with third parties to settle advances to third parties of RMB520,000,000 (originally advanced in 2023 with 2% annual interest and repayable within one year). Details of the non-cash transaction are disclosed in note 20(d).

32. BUSINESS COMBINATION

During the year ended 31 December 2024, the Group completed the acquisitions of equity interests in property management companies at an aggregated purchase consideration of RMB17,532,000, included 55% equity interests in Pingxiang Pingkuang Shenlong Urban Operation Service Co., Ltd.* (萍鄉市萍礦深龍城市運營服務有限公司) and additionally acquired 51% equity interests in Shanghai You'an Property Management Co., Ltd * (上海佑安物業管理有限公司). Total identifiable net assets of these entities as at their respective acquisition dates amounted to RMB16,914,000.

Goodwill of RMB618,000 primarily arose from the expected future development of these companies' business, improvement on market coverage, enriching the service portfolio, integrating value-added services, and improvement on management efficiency, etc. Goodwill recognised is not expected to be deductible for income tax purposes.

32. BUSINESS COMBINATION (Continued)

Details of the purchase considerations, the net assets acquired are as follows:

	As at the respective acquisition dates RMB'000
Purchase consideration	
Cash consideration	**9,966**
Transfer from associates	**7,566**
Total purchase consideration	**17,532**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment (Note 15)	**87**
Right-of-use assets (Note 15)	**322**
Deferred income tax assets	**37**
Inventories	**7**
Trade and other receivables	**20,304**
Cash and cash equivalents	**18,182**
Trade and other payables	**(19,882)**
Borrowings	**(300)**
Lease liabilities	**(361)**
Contract liabilities	**(267)**
Total identifiable net assets	**18,129**
Less: non-controlling interests	**(1,215)**
Identifiable net assets attributable to the Group	**16,914**
Goodwill (Note 17)	**618**

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

32. BUSINESS COMBINATION (Continued)

(a) Net cash inflow arising on acquisition during the year ended 31 December 2024:

	RMB'000
Cash consideration	**9,966**
Less: Cash and cash equivalents acquired	**(18,182)**
Cash inflow for the year	**(8,216)**

(b) Revenue and profit contribution

The acquired businesses contributed revenues of RMB28,897,000 and net losses of RMB1,447,000 the Group for the period from the acquisition date to 31 December 2024.

If the acquisitions had occurred on 1 January 2024, the Group's consolidated pro-forma revenue and comprehensive income for the year ended 31 December 2024 would have been RMB13,868,194,000 and net losses of RMB3,127,171,000 respectively.

No contingent liability has been recognised for the business combinations during the year ended 31 December 2024.

33. COMMITMENTS

(a) Capital commitments

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Contracted by not provided for		
Acquisitions of additional equity interests from NCI	**71,415**	136,508

(b) Operating lease commitments — as lessee

The Group leases offices and staff dormitories under non-cancellable operating lease agreements. The lease terms are between one month and 15 years (2023: one month and 15 years).

The Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 15(b) for further information.

34. OTHER TRANSACTION WITH NON-CONTROLLING INTERESTS

During the year ended 31 December 2024, the Group acquired additional equity interests in certain subsidiaries, respectively, for a total consideration of RMB8,259,000 (2023: RMB209,985,000). The Group recognised a decrease in non-controlling interests of RMB1,381,000 (2023: RMB95,191,000) and an increase in equity attributable to the equity holders of the Company of RMB6,878,000 (2023: RMB114,794,000).

35. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2024, the Group disposed of certain subsidiaries (2023: certain subsidiaries) to independent third parties at a total consideration of RMB29,406,000 (2023: RMB7,255,000). Subsequent to the disposals, these entities are no longer subsidiaries of the Group. Details of the disposal transactions are as follows:

	Note	As at the respective dates of the disposals RMB'000
Disposal considerations		
— Cash received		**29,406**
		29,406
Less: total net assets of the subsidiaries		**(133,392)**
Losses on disposal of the subsidiaries	10	**(103,986)**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	As at the respective dates of the disposals RMB'000
Cash proceeds from disposal, net of cash disposed of cash consideration received	**29,406**
Less: cash and cash equivalents in the subsidiaries	**(41,403)**
Net cash outflow on disposals	**(11,997)**

35. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal from subsidiaries to associates for the year ended 31 December 2024

During the year, certain subsidiaries have become associates of the Group, and were disposed of at cash considerations of RMB2,050,000 in aggregate.

The identifiable assets and liabilities of the subsidiaries as at the date of disposal were as follow:

	As at the respective dates of the disposals RMB'000
Non-current assets	715
Current assets	35,838
Current liabilities	(25,385)
Non-current liabilities	(55)
Net assets disposed of	11,113
Non-controlling interests	(2,905)
Goodwill	118
Transfer to investments accounted for using the equity method (Note 12)	(5,235)
Loss on disposal from subsidiaries to associates	(1,041)
Cash Consideration	**2,050**
Cash consideration received	**2,050**
Less: cash and cash equivalents in the subsidiaries disposed	**(9,615)**
Net cash outflow on disposals	**(7,565)**

35. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of subsidiaries for the year ended 31 December 2024

During the year ended 31 December 2024, certain subsidiaries of the Group were disposed of at cash considerations of RMB27,356,000 in aggregate.

The identifiable assets and liabilities of the subsidiaries as at the date of disposal were as follow:

	As at the respective dates of the disposals RMB'000
Non-current assets	171,159
Current assets	131,817
Current liabilities	(332,835)
Non-current liabilities	(16,976)
Net liabilities disposed of	(46,835)
Non-controlling interests	87,689
Goodwill	89,447
Loss on disposal of subsidiaries	(102,945)
Cash consideration	**27,356**
Cash consideration received	**27,356**
Less: cash and cash equivalents in the subsidiaries disposed	**(31,788)**
Net cash outflow on disposals	**(4,432)**

36. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Agile Holdings and its subsidiaries 雅居樂集團控股有限公司及其附屬公司	Ultimate holding company and its subsidiaries
Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	Founding shareholders of Agile Holdings
Zhongshan A-Living 中山雅生活企業管理服務有限公司	Controlling shareholder of the Company
Deluxe Star International Limited 旺紀國際有限公司	Intermediate holding company
Greenland Holdings and its subsidiaries (Note) 綠地控股集團有限公司及其附屬公司	A shareholder having significant influence on the Company and its subsidiaries
CMIG Futurelife Holding Group Co., Ltd* ("CMIG") and its subsidiaries 中民未來控股集團有限公司及其附屬公司	Non-controlling shareholder with significant influence and its subsidiaries
Zhongshan Agile Changjiang Hotel Co., Ltd* 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Zhongshan Changjiang Golf Course* 中山長江高爾夫球場	Controlled by the Founding Shareholders
Chengdu Xueling Enterprise Management Co., Ltd.* 成都雪瓴企業管理有限公司	Associate of Agile Holdings
Jinzhong Jintianheyi Property Development Co., Ltd.* 晉中錦添合意房地產開發有限公司	Associate of Agile Holdings
Sichuan Yacan Real Estate Development Co., Ltd.* 四川雅燦房地產開發有限公司	Associate of Agile Holdings
Foshan Sanshui Qingmei Real Estate Development Co., Ltd.* 佛山市三水區擎美房地產有限公司	Associate of Agile Holdings
Sichuan Yaheng Real Estate Development Co., Ltd.* 四川雅恆房地產開發有限公司	Associate of Agile Holdings

36. RELATED PARTY TRANSACTIONS (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Nanjing Haiyue Property Management Co., Ltd* 南京海玥物業管理有限公司	Associate of the Group
Shanghai Zunrong Security Service Co., Ltd. 上海尊榮保安服務有限公司	Associate of the Group
Shenzhen Huilongcheng Property Management Co.,Ltd* 深圳市匯龍城物業管理有限公司	Associate of the Group
Square Asset Management Limited.*	Associate of the Group
Tianjin Zhuosen Business Management Co., Ltd.* (“Tianjin Zhuosen”) 天津卓森商業管理有限公司	Associate of the Group
Huizhou Huiyang Agile Real Estate Development Co., Ltd* 惠州市惠陽雅居樂房地產開發有限公司	Joint venture of Agile Holdings
Beihai Yaguang Property Development Co., Ltd.* 北海雅廣房地產開發有限公司	Joint venture of Agile Holdings
Guangxi Fuya Investments Co., Ltd.* 廣西富雅投資有限公司	Joint venture of Agile Holdings
Henan Yafu Property Co., Ltd.* 河南雅福置業有限公司	Joint venture of Agile Holdings
Huizhou Bailuhu Tour Enterprise Development Co., Ltd.* 惠州白鷺湖旅遊實業開發有限公司	Joint venture of Agile Holdings
Weihai Yalan Investment Co., Ltd.* 威海雅藍投資開發有限公司	Joint venture of Agile Holdings
Zhuhai Yahan Real Estate Development Co., Ltd.* 珠海市雅瀚房地產開發有限公司	Joint venture of Agile Holdings
Zhuhai Yahao Real Estate Development Co., Ltd.* 珠海市雅灝房地產開發有限公司	Joint venture of Agile Holdings
Kaifeng Fenghui Property Co., Ltd.* 開封豐輝置業有限公司	Joint venture of Agile Holdings

36. RELATED PARTY TRANSACTIONS (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Guigang Shenghe Property Service Co., Ltd.* 貴港市盛和物業服務有限公司	Joint venture of the Group
Hangzhou Songya Property Services Co., Ltd.* 杭州宋雅物業服務有限公司	Joint venture of the Group
Qingdao Qinglv City Services Co., Ltd.* 青島青旅城市服務有限公司	Joint venture of the Group

The above table lists the principal related parties of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group.

Note: A director who had significant influence over the Group and was a member of the key management personnel of Greenland Holdings led to the Group considering Greenland Holdings, along with its subsidiaries and joint ventures, as related parties in accordance with HKAS 24 Related Party Disclosure for the period ended 30 June 2023. Subsequent to the director's retirement in July 2023, these entities are no longer considered related parties of the Group.

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

36. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Provision of services		
Entities controlled by Agile Holdings	**267,869**	918,840
Joint ventures and associates of Agile Holdings	**52,874**	123,968
Greenland Holdings and entities controlled by Greenland Holdings	**–**	93,218
Joint ventures and associates of the Group	**4,029**	11,021
Entities controlled by the Founding Shareholders	**427**	626
Joint ventures of Greenland Holdings	**–**	864
	325,199	1,148,537

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Purchase of services		
An associate of the Group	**167,831**	113,910
Controlled by Agile Holdings	**8,445**	14,766
Joint ventures and associates of Agile Holdings	**2,121**	3,375
Greenland Holdings and entities controlled by Greenland Holdings	**–**	5,520
Entities controlled by the Founding Shareholders	**–**	808
	178,397	138,379

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest income received on loans due from related parties		
Associates of the Group	**450**	766

36. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Rental expenses paid relating to short-term and low-value leases		
Entities controlled by Agile Holdings	**1,376**	1,376
Entities controlled by the Founding Shareholders	**3,530**	2,741
	4,906	4,117

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest expense for lease liabilities		
Entities controlled by Agile Holdings	**129**	85
Joint venture of the Group	**41**	11
	170	96

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Payment of lease liabilities		
Entities controlled by Agile Holdings	**80**	1,039
Joint venture of the Group	**330**	445
	410	1,484

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

36. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

Compensations for key management other than those for directors and supervisors as disclosed in Note 38 are set out below.

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Salaries and other short-term employee benefits	**3,979**	3,470
Share-based payments	**–**	2,112
Contribution to pension scheme	**121**	120
	4,100	5,702

(d) Balances with related parties

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Due from related parties		
Trade receivables		
Entities controlled by Agile Holdings	**3,108,702**	2,911,642
Joint ventures and associates of Agile Holdings	**452,531**	467,196
Joint ventures and associates of the Group	**12,178**	8,741
Entities controlled by the Founding Shareholders	**–**	251
	3,573,411	3,387,830
Other receivables		
Joint ventures and associates of the Group	**120,207**	80,771
Entities controlled by Agile Holdings	**871,370**	775,475
Joint ventures and associates of Agile Holdings	**22,085**	15,563
Entities controlled by the Founding Shareholders	**2,937**	3,644
	1,016,599	875,453
Prepayments		
Associates of the Group	**2,598**	2,153
Entities controlled by Agile Holdings (Note (i))	**284,408**	282,757
Associates of Agile Holdings	**457**	2,486
	287,463	287,396
	4,877,473	4,550,679

36. RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related parties (Continued)

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Due to related parties		
Trade payables		
Associates of the Group	**113,000**	37,399
Entities controlled by Agile Holdings	**22,335**	17,943
Joint ventures and associates of Agile Holdings	**3,469**	1,329
Entities controlled by the Founding Shareholder	**1,692**	1,153
	140,496	57,824
Other payables (Note(ii))		
Entities controlled by Agile Holdings	**142,813**	96,476
Associates of the Group	**6,958**	6,576
Joint ventures of Agile Holdings	**885**	980
Entities controlled the Founding Shareholder	**9**	20
	150,665	104,052
Contract liabilities		
Entities controlled by Agile Holdings	**4,968**	5,421
Joint ventures and associates of Agile Holdings	**2,896**	1,000
Joint ventures and associates of the Group	**6**	53
	7,870	6,474
	299,031	168,350

(i) The balances mainly represent underlying properties developed by Agile Holdings which are expected to be used for settlement of payables due from the Group to third-party suppliers, sales or letting out the properties to third-parties.

(ii) Other payables due to related parties mainly represented the receipts of communal area income on behalf of the properties' owners, which are interest-free and repayable on demand.

36. RELATED PARTY TRANSACTIONS (Continued)

(e) Loans and interest receivables due from related parties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
As at beginning of the year	**79,544**	16,117
Addition	**51,500**	84,140
Repayments from related parties	**(25,240)**	(5,302)
Non-cash changes	**(504)**	(16,177)
Interest income (Note 9)	**450**	766
As at end of the year	**105,750**	79,544

Loans and interest receivables due from related parties bear an interest rate at 0.5% (2023: 0% to 0.5%) per annum and are repayable in one year or on demand.

37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Assets		
Non-current assets		
Property, plant and equipment	**53,267**	56,045
Right-of-use assets	**4,726**	7,780
Other intangible assets	**176**	344
Investments accounted for using the equity method	**286,327**	616,937
Deferred income tax assets	**365,246**	47,489
Investments in subsidiaries	**3,786,926**	3,787,728
Prepayments	**73,370**	77,958
Financial assets at fair value through profit or loss	**–**	3,238
	4,570,038	4,597,519
Current assets		
Trade and other receivables	**8,881,054**	9,292,252
Inventories	**9,121**	10,355
Financial assets at fair value through profit or loss	**–**	1,098
Restricted cash	**22,433**	60,259
Cash and cash equivalents	**177,603**	273,396
	9,090,211	9,637,360
Total assets	**13,660,249**	14,234,879

37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Equity		
Equity attributable to shareholders of the Company		
Share capital	**1,420,001**	1,420,001
Other reserves (Note (a))	**6,143,193**	6,143,193
Retained earnings	**67,582**	806,225
Total equity	**7,630,776**	8,369,419
Liabilities		
Non-current liabilities		
Lease liabilities	**1,633**	2,788
Contract liabilities	**80,494**	77,854
Deferred income tax liabilities	**3,477**	3,477
Other payables	**4,867**	–
	90,471	84,119
Current liabilities		
Contract liabilities	**586,811**	494,130
Trade and other payables	**5,322,224**	5,214,326
Current income tax liabilities	**26,732**	67,683
Lease liabilities	**3,235**	5,202
	5,939,002	5,781,341
Total liabilities	**6,029,473**	5,865,460
Total equity and liabilities	**13,660,249**	14,234,879

The balance sheet of the Company was approved by the Board of Directors on 28 March 2025 and was signed on its behalf:

Chan Cheuk Hung
Director

Huang Fengchao
Director

37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Reserve movement of the Company

	Share premium RMB'000	Statutory reserve RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2023	5,728,897	375,732	13,939	6,118,568
Appropriation of statutory reserves (Note 25)	–	14,065	–	14,065
Share-based payments	–	–	10,560	10,560
As at 31 December 2023 and 1 January 2024 and 31 December 2024	**5,728,897**	**389,797**	**24,499**	**6,143,193**

38. DIRECTORS, CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

During the year ended 31 December 2024, the directors and supervisors are listed in the following:

Executive Directors

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)

Non-executive Directors

Ms. Yue Yuan (appointed on 29 May 2024)
Mr. Xu Yongping (retired on 29 May 2024)

Independent Non-executive Directors

Mr. Weng Guoqiang
Mr. Wang Gonghu
Mr. Li Jiahe

Supervisors

Mr. Liu Jianrong
Ms. Huang Zhixia
Mr. Wang Shao
Mr. Wang Weiqiong (appointed on 29 May 2024)
Ms. Zhang Pingting (retired on 29 May 2024)
Mr. Zheng Jiancheng

38. DIRECTORS, CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (Continued)

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fees	**840**	934
Other emoluments:		
— Salaries	**4,633**	2,079
— Share-based payments	**–**	2,113
— Housing allowance and contribution to a retirement benefit scheme	**238**	169
	5,711	5,295

The directors and supervisors received emoluments from the Group for the year ended 31 December 2024 as follows:

Name	Fees RMB'000	Salaries RMB'000	Share-based payments RMB'000	Bonus RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors						
Mr. Li Dalong	–	2,053	–	–	82	2,135
Mr. Chen Siyang	–	1,372	–	–	42	1,414
Independent non-executive directors						
Mr. Weng Guoqiang	240	–	–	–	–	240
Mr. Li Jiahe	240	–	–	–	–	240
Mr. Wang Gonghu	240	–	–	–	–	240
Supervisors						
Mr. Liu Jianrong	–	570	–	–	65	635
Ms. Huang Zhixia	–	305	–	–	31	336
Mr. Wang Shao	60	–	–	–	–	60
Mr. Wang Weiqiong	–	333	–	–	18	351
Mr. Zheng Jiancheng	60	–	–	–	–	60
	840	4,633	–	–	238	5,711

38. DIRECTORS, CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (Continued)

The directors and supervisors received emoluments from the Group for the year ended 31 December 2023 as follows:

Name	Fees RMB'000	Salaries RMB'000	Share-based payments RMB'000	Bonus RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors						
Mr. Li Dalong	–	881	–	–	67	948
Mr. Chen Siyang	–	340	1,943	–	4	2,287
Independent non-executive directors						
Mr. Wan Kam To	200	–	–	–	–	200
Mr. Weng Guoqiang	240	–	–	–	–	240
Mr. Li Jiahe	200	–	–	–	–	200
Mr. Wang Gonghu	108	–	–	–	–	108
Supervisors						
Mr. Liu Jianrong	–	553	170	–	71	794
Ms. Huang Zhixia	–	305	–	–	27	332
Mr. Wang Gonghu	66	–	–	–	–	66
Mr. Wang Shao	93	–	–	–	–	93
Mr. Zheng Jiancheng	27	–	–	–	–	27
	934	2,079	2,113	–	169	5,295

Notes:

(i) The executive directors, Mr. Huang Fengchao and Mr. Chan Cheuk Hung received emoluments totalling RMB3,245,000 during the year ended 31 December 2024 (2023: RMB3,776,000), which were borne by related parties of the Group. Mr. Huang Fengchao and Mr. Chan Cheuk Hung were also directors of Agile Holdings during the year ended 31 December 2024, and their emoluments were not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

The non-executive director Ms. Yue Yuan received emoluments totalling RMB560,000 (2023: RMB3,000,000) during the year ended 31 December 2024, which were borne by related parties of the Group and Ms. Yue Yuan retired with effect from 21 July 2023 and appointed on 29 May 2024. Ms. Yue Yuan was also management of Agile Holdings during the year ended 31 December 2024, and her emolument was not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

The non-executive director Mr. Xu Yongping received emoluments totalling RMB253,250 (2023: RMB1,800,000) during the year ended 31 December 2024, which were borne by related parties of the Group and Mr. Xu Yongping retired with effect from 29 May 2024. Mr. Xu Yongping was also management of Longcheng City Service Company Limited during the year ended 31 December 2024, and her emolument was not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

Except for those mentioned above, no other emoluments paid or receivable in respect of directors' and supervisors' other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year ended 31 December 2024 and 2023.

38. DIRECTORS, CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (Continued)

Notes: (Continued)

(ii) During the year ended 31 December 2024 and 2023, there were no additional retirement benefit received by the directors and supervisors except for the attribution to a retirement benefit scheme as disclosed above.

During the year ended 31 December 2024 and 2023, there were no termination benefits received by the directors and supervisors.

During the year ended 31 December 2024 and 2023, no consideration was paid for making available the services of the directors or supervisors of the Company.

During the year ended 31 December 2024 and 2023, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors and supervisors of the Company.

(iii) Mr. Chan Cheuk Hung is one of the Founding Shareholders and executive directors of Agile Holdings, the Company's ultimate holding company. Mr. Chan Cheuk Hung, is one of the beneficiaries of a family trust, which indirectly held 45.32% equity interests in Agile Holdings as at 31 December 2024 (at 31 December 2023: 48.61%). The Group's transactions with Agile Holdings and related entities are set out in Note 36.

Gongqingcheng Investment was established under the laws of the PRC. On 26 July 2017, the Company and Gongqingcheng Investment entered into a capital increase agreement, pursuant to which Gongqingcheng Investment shall subscribe for 8,000,000 shares of the Company at a cash consideration of RMB200,000,000. As at 31 December 2024, Gongqingcheng Yagao Investment Management Co., Ltd.* was Gongqingcheng Investment's general partner and Shanghai Yongya Business Consultancy Limited Partnership, Shanghai Yeya Business Consultancy Limited Partnership, Mr. Huang Fengchao (黃奉潮), Mr. Li Dalong (李大龍) and Mr. Feng Xin (馮欣) were its limited partners.

Except for those mentioned above, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had interests, whether directly or indirectly, subsisted at the year or at any time during the year.

Five-Year Financial Summary

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**13,867,234**	15,443,449	15,378,576	14,080,089	10,026,147
Cost of sales	**(11,783,056)**	(12,797,899)	(11,994,599)	(10,211,343)	(7,053,112)
Gross profit	**2,084,178**	2,645,550	3,383,977	3,868,746	2,973,035
Selling and marketing expenses	**(41,622)**	(101,377)	(93,446)	(141,635)	(77,139)
Administrative expenses	**(792,550)**	(836,424)	(851,665)	(778,131)	(548,295)
Impairment losses on financial assets, goodwill and prepayment	**(4,612,652)**	(967,426)	(465,623)	(160,181)	(97,406)
Other income	**105,897**	190,994	232,246	178,059	198,515
Other (losses)/gains — net	**(236,689)**	92,418	208,634	102,070	17,136
Operating (loss)/profit	**(3,493,438)**	1,023,735	2,414,123	3,068,928	2,465,846
Finance costs	**(28,832)**	(20,128)	(18,565)	(24,888)	(40,358)
Share of post-tax profits of joint ventures and associates	**17,682**	44,937	56,393	31,534	62,261
(Loss)/profit before income tax	**(3,504,588)**	1,048,544	2,451,951	3,075,574	2,487,749
Income tax credit/(expenses)	**377,700**	(349,811)	(517,019)	(510,005)	(515,015)
(Loss)/profit for the year	**(3,126,888)**	698,733	1,934,932	2,565,569	1,972,734
(Loss)/Profit attributable to:					
Shareholders of the Company	**(3,270,698)**	460,875	1,839,601	2,308,458	1,754,411
Non-controlling interests	**143,810**	237,858	95,331	257,111	218,323
	(3,126,888)	698,733	1,934,932	2,565,569	1,972,734
(Loss)/earnings per share (expressed in RMB per share)					
Basic and diluted (loss)/earnings per share	**(2.30)**	0.32	1.30	1.67	1.32

CONSOLIDATED ASSETS, EQUITY AND LIABILITIES

	As at 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Assets					
Non-current assets	**7,385,261**	7,562,592	7,400,848	6,770,418	4,874,828
Current assets	**12,861,910**	16,487,988	15,300,866	13,410,959	9,100,125
Total assets	**20,247,171**	24,050,580	22,701,714	20,181,377	13,974,953
Equity and Liabilities					
Total equity	**11,150,386**	14,449,131	14,124,594	12,910,928	8,657,400
Non-current liabilities	**576,509**	557,112	388,985	513,629	452,383
Current liabilities	**8,520,276**	9,044,337	8,188,135	6,756,820	4,865,170
Total liabilities	**9,096,785**	9,601,449	8,577,120	7,270,449	5,317,553
Total equity and liabilities	**20,247,171**	24,050,580	22,701,714	20,181,377	13,974,953