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Redco Healthy Living Company Limited

力高健康生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2370)

PROFIT WARNING

This announcement is made by Redco Healthy Living Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholder(s)**”) and potential investors that, based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2024, and other information currently available to the Company, it is expected that the Group will record a net profit of not exceeding RMB9.0 million for the six months ended 30 June 2024 as compared to the net profit of approximately RMB21.0 million for the six months ended 30 June 2023. The decrease in net profit was primarily due to the following reasons:

- (i) the significant decrease in revenue generated from (1) value-added services to non-property owners, especially for the sales offices management services and pre-delivery inspection and cleaning services provided to Redco Properties Group Limited (“**Redco Properties**”); and (2) community value-added services, especially for the home renovation and decoration services, as a result of the decrease in the number of projects delivered by Redco Properties for the six months ended 30 June 2024 as compared with that for the corresponding period in 2023; and
- (ii) the significant increase in provision for impairment losses for trade receivables from third parties and related parties during the six months ended 30 June 2024 in view of the credit risks and financial conditions of the related parties and third parties in the real estate industry in the People’s Republic of China.

As the Company is still in the process of finalizing the unaudited consolidated interim results of the Group for the six months ended 30 June 2024, the information contained in this announcement is solely based on the information currently available to the Group and the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 by the management, which have not been reviewed or audited by the auditors of the Company and the audit committee of the Company, and may therefore be subject to changes.

Shareholders and potential investors of the Company should read the announcement of the Company in relation to the results of the Group for the six months ended 30 June 2024, which is expected to be published on 28 August 2024.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended from 1:00 p.m. on 29 March 2023 and will remain suspended until the Company fulfils the Resumption Guidance (as defined in the Company's announcement dated 3 May 2024).

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

By order of the Board
Redco Healthy Living Company Limited
Huang Ruoqing
Chairman

Hong Kong, 16 August 2024

As at the date of this announcement, the executive Directors are Mr. Tang Chengyong, Ms. Wong Yin Man and Ms. Huang Yanqi, the non-executive Director is Mr. Huang Ruoqing, and the independent non-executive Directors are Mr. Lau Yu Leung, Mr. Sze Irons BBS, JP, and Mr. Chow Ming Sang.