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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 and potential investors that, based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2024, and other information currently available to the Company, it is expected that the Group will record net loss of not exceeding RMB21.0 million for the year ended 31 December 2024 as compared to the net profit of approximately RMB0.3 million for the year ended 31 December 2023; and record net loss attributable to the owners of the Company of not exceeding RMB30.0 million for the year ended 31 December 2024 as compared to the net loss attributable to the owners of the Company of approximately RMB10.0 million for the year ended 31 December 2023. The expected net loss and net loss attributable to the owners of the Company were primarily due to the following reasons:

- (i) the significant decrease in revenue generated from 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, a controlling shareholder of the Company and the shares of which are listed on the Stock Exchange (stock code: 1622) (“**Redco Properties**”), as a result of the decrease in projects delivered by Redco Properties for the year ended 31 December 2024;
- (ii) the significant decrease in revenue generated from community value-added services to property owners, which primarily contributed by home renovation and decoration services to property owners, as a result of the decrease in projects delivered by Redco Properties for the year ended 31 December 2024; and

(iii) the provision for impairment losses of goodwill and property, plant and equipment for subsidiaries acquired by the Group in past years as they recorded net loss during the year ended 31 December 2024 as a result of the significant decrease in revenue and gross profit attributable to community healthcare services, resulting in significant decline in revenue growth rate and gross margin projections for these subsidiaries as cash-generating units under the impairment assessment.

As at the date of this announcement, the Company is still in the process of preparing and finalizing the annual results of the Group for the year ended 31 December 2024, the information contained in this announcement is based on the information currently available to the Group and after preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024, which have not been audited or reviewed by the auditors of the Company and the audit committee of the Company, and may therefore be subject to changes.

Shareholders and potential investors should read the announcement of the Company in relation to the results of the Group for the year ended 31 December 2024 carefully, which is expected to be published on 27 March 2025.

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

Hong Kong, 25 March 2025

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.