

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**(1) ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024;  
AND  
(2) CHANGE OF PRESIDENT**

**FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 31 December 2024 was approximately RMB419.6 million, representing a decrease of approximately 6.6% as compared to approximately RMB449.3 million for the year ended 31 December 2023.
- Gross profit for the year ended 31 December 2024 was approximately RMB113.4 million, representing a decrease of approximately 9.7% as compared to approximately RMB125.7 million for the year ended 31 December 2023.
- Gross profit margin decreased to approximately 27.0% for the year ended 31 December 2024 from approximately 28.0% for the year ended 31 December 2023.
- Net loss of the Group for the year ended 31 December 2024 was approximately RMB20.1 million, as compared to the net profit of approximately RMB0.3 million for the year ended 31 December 2023.

- For the year ended 31 December 2024, the total contracted GFA of the Group was approximately 27.3 million sq.m., representing an increase of approximately 0.7% as compared to approximately 27.1 million sq.m. for the year ended 31 December 2023.
- For the year ended 31 December 2024, the GFA under management of the Group was approximately 21.1 million sq.m., representing an increase of approximately 2.8% as compared to approximately 20.5 million sq.m. for the year ended 31 December 2023.
- The Board has resolved not to declare the payment of a final dividend for the year ended 31 December 2024 (year ended 31 December 2023: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Redco Healthy Living Company Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**” or “**us**”) for the year ended 31 December 2024 with comparative figures for the year ended 31 December 2023 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
Revenue	4	<b>419,635</b>	449,273
Cost of services		<b>(306,206)</b>	(323,601)
<b>Gross profit</b>		<b>113,429</b>	125,672
Other income, gains and losses, net	5	<b>(1,920)</b>	3,321
Selling and marketing expenses		<b>(2,936)</b>	(1,749)
General and administrative expenses		<b>(56,188)</b>	(57,886)
Impairment losses on financial assets, net of reversal	6	<b>(40,981)</b>	(63,389)
Impairment losses of goodwill and property, plant and equipment		<b>(24,651)</b>	—
<b>Operating (loss) profit</b>		<b>(13,247)</b>	5,969
Finance income		<b>1,226</b>	972
Finance costs		<b>(992)</b>	(1,587)
Finance income and costs, net		<b>234</b>	(615)
Share of results of investments accounted for using the equity method, net		<b>1,759</b>	1,580
<b>(Loss) profit before income tax</b>	7	<b>(11,254)</b>	6,934
Income tax expense	8	<b>(8,836)</b>	(6,667)
<b>(Loss) profit for the year</b>		<b>(20,090)</b>	267
<b>(Loss) profit for the year attributable to:</b>			
– Owners of the Company		<b>(28,428)</b>	(9,983)
– Non-controlling interests		<b>8,338</b>	10,250
		<b>(20,090)</b>	267
<b>Loss per share</b>		<b><i>RMB</i></b>	<i>RMB</i>
– Basic and diluted (expressed in RMB cents per share)	10	<b>(14.21)</b>	(4.99)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>(Loss) profit for the year</b>	<u><b>(20,090)</b></u>	<u>267</u>
<b>Other comprehensive income for the year</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
– Currency translation differences	<u><b>161</b></u>	<u>323</u>
Total other comprehensive income	<u><b>161</b></u>	<u>323</u>
<b>Total comprehensive (expenses) income for the year</b>	<u><b>(19,929)</b></u>	<u>590</u>
<b>Total comprehensive (expenses) income attributable to:</b>		
– Owners of the Company	<u><b>(28,267)</b></u>	<u>(9,660)</u>
– Non-controlling interests	<u><b>8,338</b></u>	<u>10,250</u>
	<u><b>(19,929)</b></u>	<u>590</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	44,863	63,299
Intangible assets	12	34,775	46,671
Investments accounted for using the equity method		3,564	5,183
Other receivables and prepayments	13	—	899
Deferred income tax assets		42,552	35,448
		<u>125,754</u>	<u>151,500</u>
<b>CURRENT ASSETS</b>			
Inventories		13,412	—
Trade and other receivables and prepayments	13	286,015	248,938
Amounts due from related parties		26,803	37,935
Financial assets at fair value through profit or loss		2,025	—
Cash and cash equivalents		137,484	178,854
		<u>465,739</u>	<u>465,727</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	14	20,698	22,656
Accruals and other payables	14	77,603	72,740
Contract liabilities		114,523	111,422
Amounts due to related parties		3,687	12,223
Income tax liabilities		51,799	45,761
Bank and other borrowings	15	8,626	14,562
Lease liabilities		147	134
		<u>277,083</u>	<u>279,498</u>
<b>NET CURRENT ASSETS</b>		<u>188,656</u>	<u>186,229</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>314,410</u>	<u>337,729</u>

	<i>Notes</i>	<b>2024</b>	2023
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	15	<b>3,700</b>	—
Lease liabilities		<b>2,950</b>	3,096
Deferred income tax liabilities		<b>3,661</b>	4,376
		<u><b>10,311</b></u>	<u>7,472</u>
<b>NET ASSETS</b>		<u><b>304,099</b></u>	<u>330,257</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	16	<b>16,220</b>	16,220
Reserves		<b>246,637</b>	274,904
		<u><b>262,857</b></u>	<u>291,124</u>
Non-controlling interests		<b>41,242</b>	39,133
<b>SHAREHOLDERS' EQUITY</b>		<u><b>304,099</b></u>	<u>330,257</u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1 General

Redco Healthy Living Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 10 February 2021 as an exempted company with limited liability under the Companies Act of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) since 31 March 2022. The addresses of the registered office and principal place of business of the Company are disclosed in the *Corporate Information* section to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services, development and maintenance services with respect to the information technology (“**IT**”) systems, healthcare management services and property agency services in the People’s Republic of China (the “**PRC**”).

The ultimate holding company of the Company is Redco Properties Group Limited (“**Redco Properties**”) or the “**Controlling Party**”, together with its subsidiaries, the “**Redco Properties Group**”) whose shares are also listed on the Main Board. The Company’s immediate holding company is Top Glory International Holdings Ltd. (“**TGI**”, a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability) which is wholly-owned by Redco Properties. The ultimate controlling shareholders of the Group are Mr. Wong Yeuk Hung and Mr. Huang Ruoqing (the “**Controlling Shareholders**”), who are parties acting in concert and have been collectively controlling the Group.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company’s functional currency of Hong Kong dollars (“**HK\$**”).

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company (the “**Directors**”) for the translation of the Chinese names of these companies to English names as they do not have official English names.

## 2 Basis of presentation of consolidated financial statement

### The Incidents

As described in details in the announcement of the Company dated 30 June 2023, on 6 April 2023, the Board has established an independent committee (the “**Independent Committee**”) which only comprises independent non-executive directors to conduct an independent inquiry (the “**Independent Inquiry**”) on three audit issues raised by the former auditor of the Company, which are summarized as follows:

- (i) Audit issue I: Fund movements regarding certain cooperation arrangements with an entity entered into by the Group relating to potential acquisitions of certain target companies (the “**Audit Issue I**”);
- (ii) Audit issue II: (a) The Group’s payments of the refundable deposits in the amount of approximately RMB30.8 million in relation to the potential acquisitions of certain target companies; and (b) the Group’s receipt of funds in the amount of RMB30 million each from two independent third parties which were transferred back to such parties on the same date (the “**Audit Issue II**”); and
- (iii) Audit issue III: Fund movements between the Group and Redco Properties Group (the “**Audit Issues III**”, together with the Audit Issue I and Audit Issue II, the “**Incidents**”).

The Independent Committee has engaged an independent professional adviser (the “**Independent Professional Adviser**”) to assist with the Independent Inquiry.

Furthermore, during the course of the Independent Inquiry, the Company also engaged an internal control consultant (the “**Internal Control Consultant**”) and it was noted that there were deficiencies in the Group’s corporate governance and internal control, particulars there were certain internal control deficiencies of the Group in relating to the Incidents.

Key findings from reports issued by Independent Professional Adviser and Internal Control Consultant and remedial actions taken by the Group, were published by the Company on its announcements dated 31 January 2024 and 24 October 2024.

As described in details in the announcement of the Company dated 24 October 2024, (i) all the deposits and earnest monies involved in Audit Issues I, II and III in respect of potential transactions that were subsequently terminated or not further pursued by the Group had been fully refunded to the Group; and (ii) the Group did not incur any actual loss as a result of the fund movements and/or terminated transactions and accordingly, the Directors believe that the fund movements considered under Audit Issues I, II and III did not have any material adverse impact on the business operation and financial position of the Group.

Pursuant to the announcement of the Company dated 25 October 2024, the Company announced that it has fulfilled all the resumption guidance and trading in the shares of the Company on the Stock Exchange have resumed with effect from 28 October 2024.

### 3. Application of Hong Kong Financial Reporting Standards (“HKFRSs”)

#### ***Amendments to HKFRSs that are mandatorily effective for the current year***

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Noncurrent 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 Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### ***Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)***

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or noncurrent, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

***New and amendments to HKFRSs in issue but not yet effective***

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

***HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)***

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements (“**HKAS 1**”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to IAS 8 and HKFRS 7 Statement of Cash Flows (“**HKAS 7**”). Minor amendments to HKAS 7 and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements but has no impact on the Group’s financial positions and performance. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

## 4 Revenue and segment information

### (i) Revenue

Revenue mainly comprises of proceeds from property management services, value-added services to non-property owners, community value-added services, community healthcare services and IT and intelligent construction services.

#### *Disaggregation of revenue from contracts with customers*

An analysis of the Group's revenue by category for the years ended 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<i>Recognised over time:</i>		
– Property management services	<b>318,785</b>	293,752
– Value-added services to non-property owners	<b>34,695</b>	45,363
– Community value-added services	<b>47,252</b>	71,497
– Community healthcare services	<b>2,111</b>	12,873
– IT and intelligent construction services	<b>10,698</b>	6,150
	<b>413,541</b>	429,635
<i>Recognised at a point in time:</i>		
– Valued-added services to non-property owners	<b>1,813</b>	2,755
– IT and intelligent construction services	<b>4,281</b>	16,883
	<b>6,094</b>	19,638
	<b>419,635</b>	449,273

***(ii) Segment information***

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

The CODM has identified three reportable operating segments, namely property management, healthcare services and others, as follows:

Property management – Provision of property management services, provision of value-added services to non-property owners and provision of community value-added services

Healthcare services – Provision of healthcare management services

Others – Development and maintenance of IT systems for property developers, provision of other IT-related services and other miscellaneous services

The CODM assesses the performance of the operating segments based on measures of adjusted profits before income tax. The measurement basis of segment results excludes the effects of depreciation, share of results of investments accounted for using the equity method, finance income/costs, net and income tax expense and listing expenses. Other information provided, except as noted below, to the CODM is measured in a manner consistent with that in the consolidated financial statements.

***Segment revenue, results, assets and liabilities***

	<b>Property management RMB'000</b>	<b>Healthcare services RMB'000</b>	<b>Others RMB'000</b>	<b>Total RMB'000</b>
<b>Year ended 31 December 2024</b>				
<b>Segment revenue</b>				
Revenue from contracts with customers				
– Recognised over time	400,866	2,111	11,103	414,080
– Recognised at a point in time	1,813	—	9,340	11,153
Less: Inter-segment revenue	(134)	—	(5,464)	(5,598)
Consolidated revenue from external customers	<u>402,545</u>	<u>2,111</u>	<u>14,979</u>	<u>419,635</u>
<b>Segment results</b>				
Segment results	17,124	(25,463)	2,894	(5,445)
Depreciation of property, plant and equipment	(4,156)	(2,860)	(786)	(7,802)
Operating profits (losses)	12,968	(28,323)	2,108	(13,247)
Share of results of investments accounted for using the equity method, net	1,759	—	—	1,759
Finance income and costs, net	(382)	790	(174)	234
Profits (losses) before income tax	<u>14,345</u>	<u>(27,533)</u>	<u>1,934</u>	<u>(11,254)</u>
Income tax expense				(8,836)
Loss for the year				<u>(20,090)</u>
Additions to:				
Property, plant and equipment				
– Reportable segment assets	<u>5,450</u>	<u>207</u>	<u>385</u>	<u>6,042</u>
Intangible assets				
– Reportable segment assets	<u>1,415</u>	<u>—</u>	<u>552</u>	<u>1,967</u>
<b>As at 31 December 2024</b>				
<b>Reportable segment assets</b>	<u>434,462</u>	<u>91,713</u>	<u>35,777</u>	561,952
Other unallocated corporate assets				29,541
Total consolidated assets				<u>591,493</u>
<i>Including investments accounting for using the equity method</i>	<u>3,494</u>	<u>70</u>	<u>—</u>	<u>3,564</u>
<b>Reportable segment liabilities</b>	<u>227,546</u>	<u>21,023</u>	<u>29,579</u>	278,148
Other unallocated corporate liabilities				9,246
Total consolidated liabilities				<u>287,394</u>

	Property management <i>RMB'000</i>	Healthcare services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 31 December 2023</b>				
<b>Segment revenue</b>				
Revenue from contracts with customers				
– Recognised overtime	410,746	12,873	7,344	430,963
– Recognised at a point in time	2,755	—	23,395	26,150
Less: Inter-segment revenue	(134)	—	(7,706)	(7,840)
Consolidated revenue from external customers	<u>413,367</u>	<u>12,873</u>	<u>23,033</u>	<u>449,273</u>
<b>Segment results</b>				
Segment results	13,929	(1,532)	665	13,062
Depreciation of property, plant and equipment	(2,848)	(3,368)	(877)	(7,093)
Operating profits (losses)	11,081	(4,900)	(212)	5,969
Share of results of investments accounted for using the equity method, net	1,580	—	—	1,580
Finance income and costs, net	(708)	412	(319)	(615)
Profits (losses) before income tax	<u>11,953</u>	<u>(4,488)</u>	<u>(531)</u>	6,934
Income tax expense				<u>(6,667)</u>
Profit for the year				<u>267</u>
Additions to:				
Property, plant and equipment				
– Reportable segment assets	<u>5,892</u>	<u>8,813</u>	<u>—</u>	<u>14,705</u>
Intangible assets				
– Reportable segment assets	<u>9,901</u>	<u>118</u>	<u>2,990</u>	<u>13,009</u>
<b>As at 31 December 2023</b>				
<b>Reportable segment assets</b>	<u>414,424</u>	<u>139,558</u>	<u>28,542</u>	582,524
Other unallocated corporate assets				<u>34,703</u>
Total consolidated assets				<u>617,227</u>
<i>Including investments accounting for using the equity method</i>	<u>5,113</u>	<u>70</u>	<u>—</u>	<u>5,183</u>
<b>Reportable segment liabilities</b>	<u>236,846</u>	<u>18,410</u>	<u>22,226</u>	277,482
Other unallocated corporate liabilities				<u>9,488</u>
Total consolidated liabilities				<u>286,970</u>

### ***Geographical information***

Revenue by geographical location is determined on the basis of the location of the customers or services rendered. All of the Group's revenue were generated from the PRC.

Non-current assets, other than financial instruments, investments accounted for using the equity method and deferred income tax assets by geographical area are as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
PRC	<b>51,924</b>	81,607
Hong Kong	<b>27,714</b>	28,363
	<b><u>79,638</u></b>	<u>109,970</u>

### ***Information about major customers***

For the year ended 31 December 2024, revenue from Redco Properties Group, associates and joint ventures of Redco Properties and their subsidiaries contributed approximately 17% (2023: 16%) of the Group's revenue.

Other than revenue from Redco Properties Group, associates and joint ventures of Redco Properties and their subsidiaries as mentioned above, no revenue from transactions with a single external customer accounted for over 10% of the Group's revenue for the years ended 31 December 2024 and 31 December 2023.

## 5 Other income, gains and losses, net

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Losses on disposal of an associate	(195)	—
Gain on disposal of subsidiaries	—	1,043
Government grant (Note a)	1,937	2,500
Loss on disposal of debt settlement properties	(37)	—
Others	(3,625)	(222)
	<u>(1,920)</u>	<u>3,321</u>

*Note:*

- (a) During the year ended 31 December 2024, governments grants of approximately RMB1,937,000 (2023: RMB2,500,000) was recognised as other income for the year as there was no unfulfilled condition or contingencies relating to these subsidies.

## 6 Impairment losses on financial assets, net of reversal

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses recognised on:		
– Trade and other receivables (note 13)	32,918	49,871
– Amounts due from related parties and non-controlling interests	8,063	13,518
	<u>40,981</u>	<u>63,389</u>

## 7 (Loss) profit before income tax

(Loss) profit before income tax is arrived at after charging:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Staff costs (including directors' and chief executive's emoluments)		
– Salaries and allowances	<b>117,759</b>	120,690
– Staff bonuses	<b>6,237</b>	8,633
– Retirement benefit costs	<b>19,410</b>	19,870
– Other staff welfare costs	<b>11,063</b>	13,080
	<b>154,469</b>	162,273
Auditor's remuneration	<b>1,095</b>	1,066
Depreciation of property, plant and equipment (note 11)	<b>7,802</b>	7,093
Amortisation of intangible assets (note 12)	<b>5,591</b>	8,486
Cost of services	<b>306,206</b>	323,601
Operating lease payments	<b>372</b>	504

## 8 Income tax expense

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– PRC corporate income tax	14,794	19,677
Deferred income tax	(5,958)	(13,010)
	<u>8,836</u>	<u>6,667</u>

Subsidiaries established and operating in the PRC are subject to PRC enterprise income tax at the rate of 25% for the year ended 31 December 2024 (2023: 25%). For certain subsidiaries qualified as micro and small enterprises, the PRC enterprise income tax was charged at a preferential rate of 20% for the periods in which they were qualified.

No provision has been made for Hong Kong profits tax as the companies in Hong Kong did not generate any assessable profits for the year ended 31 December 2024 (2023: nil).

## 9 Dividends

The Board did not recommend the payment of a final dividend for the years ended 31 December 2024 and 31 December 2023, nor has any dividend been proposed since the end of the reporting period.

## 10 Loss per share

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss figures are calculated as follows:</b>		
Loss for the year attributable to owners of the Company		
for the purpose of calculating basic and diluted loss		
for the year	<u>28,428</u>	<u>9,983</u>
	2024	2023
	<i>(thousands of shares)</i>	
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of		
calculating basic and diluted loss per share	<u>200,000</u>	<u>200,000</u>

The basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of shares in issue during the respective periods.

No diluted loss per share for both years were presented as there were no potential ordinary shares outstanding for both years.

## 11 Property, plant and equipment

	Leasehold improvement <i>RMB'000</i>	Furniture and office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Buildings <i>RMB'000</i>	Right-of- use assets - properties <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 1 January 2023</b>						
Cost	7,416	15,705	3,261	29,240	15,009	70,631
Accumulated depreciation	(1,647)	(9,001)	(2,347)	(1,083)	(1,355)	(15,433)
Net book amount	<u>5,769</u>	<u>6,704</u>	<u>914</u>	<u>28,157</u>	<u>13,654</u>	<u>55,198</u>
<b>Year ended 31 December 2023</b>						
Opening net book amount	5,769	6,704	914	28,157	13,654	55,198
Additions	12,939	787	196	783	—	14,705
Disposals during the year	—	(6)	—	—	—	(6)
Depreciation (note 7)	(2,065)	(2,965)	(361)	(1,077)	(625)	(7,093)
Exchange differences	—	—	—	495	—	495
Closing net book amount	<u>16,643</u>	<u>4,520</u>	<u>749</u>	<u>28,358</u>	<u>13,029</u>	<u>63,299</u>
<b>As at 31 December 2023</b>						
Cost	20,355	16,480	3,457	30,563	15,009	85,864
Accumulated depreciation	(3,712)	(11,960)	(2,708)	(2,205)	(1,980)	(22,565)
Net book amount	<u>16,643</u>	<u>4,520</u>	<u>749</u>	<u>28,358</u>	<u>13,029</u>	<u>63,299</u>
<b>Year ended 31 December 2024</b>						
Opening net book amount	16,643	4,520	749	28,358	13,029	63,299
Additions	5,484	405	153	—	—	6,042
Disposals during the year	—	(18)	(77)	—	—	(95)
Depreciation (note 7)	(3,711)	(1,973)	(279)	(1,214)	(625)	(7,802)
Impairment loss	(7,826)	—	—	—	(8,553)	(16,379)
Exchange differences	—	—	—	(202)	—	(202)
Closing net book amount	<u>10,590</u>	<u>2,934</u>	<u>546</u>	<u>26,942</u>	<u>3,851</u>	<u>44,863</u>
<b>As at 31 December 2024</b>						
Cost	25,739	16,809	3,429	30,312	15,009	91,298
Accumulated depreciation	(7,323)	(13,874)	(2,883)	(3,371)	(2,605)	(30,056)
Impairment loss	(7,826)	—	—	—	(8,553)	(16,379)
Closing net book amount	<u>10,590</u>	<u>2,935</u>	<u>546</u>	<u>26,941</u>	<u>3,851</u>	<u>44,863</u>

## 12 Intangible assets

	Property				Goodwill	Total
	Customer relationship	management contracts	Service contracts	Computer software		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2023</b>						
Cost	17,080	7,689	1,299	4,348	24,232	54,648
Accumulated amortisation	(4,981)	(5,233)	(1,299)	(987)	—	(12,500)
Closing net book amount	<u>12,099</u>	<u>2,456</u>	<u>—</u>	<u>3,361</u>	<u>24,232</u>	<u>42,148</u>
<b>Year ended 31 December 2023</b>						
Opening net book amount	12,099	2,456	—	3,361	24,232	42,148
Additions	—	—	—	13,009	—	13,009
Amortisation (note 7)	(2,440)	(2,456)	—	(3,590)	—	(8,486)
Net book amount	<u>9,659</u>	<u>—</u>	<u>—</u>	<u>12,780</u>	<u>24,232</u>	<u>46,671</u>
<b>As at 31 December 2023</b>						
Cost	17,080	7,689	1,299	17,357	24,232	67,657
Accumulated amortisation	(7,421)	(7,689)	(1,299)	(4,577)	—	(20,986)
Closing net book amount	<u>9,659</u>	<u>—</u>	<u>—</u>	<u>12,780</u>	<u>24,232</u>	<u>46,671</u>
<b>Year ended 31 December 2024</b>						
Opening net book amount	9,659	—	—	12,780	24,232	46,671
Additions	—	—	—	1,967	—	1,967
Amortisation (note 7)	(2,441)	—	—	(3,150)	—	(5,591)
Impairment loss	—	—	—	—	(8,272)	(8,272)
Net book amount	<u>7,218</u>	<u>—</u>	<u>—</u>	<u>11,597</u>	<u>15,960</u>	<u>34,775</u>
<b>As at 31 December 2024</b>						
Cost	17,080	7,689	1,299	19,324	24,232	69,624
Accumulated amortisation	(9,862)	(7,689)	(1,299)	(7,727)	—	(26,577)
Impairment loss	—	—	—	—	(8,272)	(8,272)
Closing net book amount	<u>7,218</u>	<u>—</u>	<u>—</u>	<u>11,597</u>	<u>15,960</u>	<u>34,775</u>

### 13 Trade and other receivables and prepayments

		2024	2023
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<i>Trade receivables comprise:</i>			
	(a)		
– Receivables from related parties		<b>164,329</b>	133,160
– Receivables from third parties		<b>237,927</b>	196,444
		<b>402,256</b>	329,604
Less: Impairments	(d)	<b>(137,507)</b>	(104,673)
		<b>264,749</b>	224,931
<i>Other receivables comprise:</i>			
	(b)		
– Receivables due from property owners	(c)	<b>7,632</b>	7,234
– Advances to employees		<b>1,833</b>	947
– Other receivables		<b>4,866</b>	6,375
– Other deposits		<b>6,450</b>	6,568
		<b>20,781</b>	21,124
Less: Impairments	(d)	<b>(255)</b>	(171)
		<b>20,526</b>	20,953
		<b>285,275</b>	245,884
Prepayments		<b>740</b>	3,953
		<b>286,015</b>	249,837
Analysed as:			
Current		<b>286,015</b>	248,938
Non-current		<b>—</b>	899
		<b>286,015</b>	249,837

*Notes:*

(a) Trade receivables

Trade receivables mainly arise from property management service income, value-added services as provided to non-property owners, community healthcare services and IT and intelligent construction services.

Property management services income is received in accordance with the terms of the relevant services agreements. Service income from property management service is due for payment by the residents upon the issuance of demand note.

Receivables from related parties mainly represented trade receivables from Redco Properties Group, associates and joint ventures of Redco Properties and its subsidiaries .

The following is an ageing analysis of trade receivables presented based on revenue recognition date:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
0 - 30 days	<b>258,490</b>	192,420
31 - 60 days	<b>3,260</b>	9,105
61 - 90 days	<b>2,080</b>	2,739
91 - 180 days	<b>17,180</b>	24,531
181 - 365 days	<b>30,089</b>	26,446
Over 365 days	<b>91,157</b>	74,363
	<b><u>402,256</u></b>	<u>329,604</u>

The carrying amounts of the Group's trade receivables are denominated in RMB.

(b) Other receivables

The carrying amounts of other receivables approximate their fair values and are unsecured, interest-free and repayable on demand.

The carrying amounts of the Group's other receivables are denominated in RMB.

(c) Receivables due from property owners

Receivables due from property owners mainly represented utilities costs of properties paid on behalf of property owners.

(d) Impairments of trade and other receivables

The movements of provision for impairment of trade and other receivables are as follows:

	<b>Trade receivables RMB'000</b>	<b>Other receivables RMB'000</b>	<b>Total RMB'000</b>
Opening loss allowance as at 1 January 2023	54,475	498	54,973
Impairment loss recognised in profit or loss, net of reversal (note 6)	<u>50,198</u>	<u>(327)</u>	<u>49,871</u>
Closing loss allowance as at 31 December 2023	104,673	171	104,844
Impairment loss recognised in profit or loss, net of reversal (note 6)	<u>32,834</u>	<u>84</u>	<u>32,918</u>
Closing loss allowance as at 31 December 2024	<u><u>137,507</u></u>	<u><u>255</u></u>	<u><u>137,762</u></u>

Net provision for impairment losses of trade receivables has been included in net provision for impairment losses of financial assets of the consolidated statements of profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering the amount.

## 14 Trade payables, accruals and other payables

		2024	2023
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	(a)	<b><u>20,698</u></b>	<u>22,656</u>
<i>Accruals and other payables comprise:</i>			
– Accruals and other payables		<b>56,147</b>	54,831
– Consideration payable	(b)	<b>2,703</b>	2,703
– Other tax payables		<b>12,398</b>	9,224
– Salary payables		<b><u>6,355</u></b>	<u>5,982</u>
		<b><u>77,603</u></b>	<u>72,740</u>

### (a) Trade payables

The ageing analysis of the trade payables based on invoice dates was as follows:

	2024	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
0 - 30 days	<b>13,164</b>	16,409
31 - 60 days	<b>1,519</b>	70
61 - 90 days	<b>2,100</b>	651
Over 91 days	<b><u>3,915</u></b>	<u>5,526</u>
	<b><u>20,698</u></b>	<u>22,656</u>

The carrying amounts of the Group's trade payables approximate their fair values due to their short maturities.

### (b) Accruals and other payables - consideration payable

The amount of approximately RMB2,703,000 (2023: RMB2,703,000) represents the outstanding consideration relating to the acquisition of Wuhu Senlin Property Management Co., Ltd. (“**Wuhu Senlin**”) in 2020.

As at 31 December 2024 and 31 December 2023, the carrying amounts of trade and other payables were mainly denominated in RMB.

## 15 Bank and other borrowings

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bank and other borrowings	<u>12,326</u>	<u>14,562</u>
The carrying amounts of bank and other borrowings based on scheduled repayment dates set out in the loan agreements		
Within one year or demand	1,216	6,309
More than one year, but not more than two years	1,235	1,179
More than two years, but not more than five years	7,405	3,537
More than five years	<u>2,470</u>	<u>3,537</u>
	12,236	14,562
Less: Amounts shown under current liabilities	<u>(8,626)</u>	<u>(14,562)</u>
Amounts shown under non-current liabilities	<u>3,700</u>	<u>—</u>
Analysed as:		
– Variable-rates borrowings	8,626	9,432
– Fixed-rates borrowings	<u>3,700</u>	<u>5,130</u>
	<u>12,326</u>	<u>14,562</u>
Analysed as:		
– Secured	8,626	9,432
– Unsecured	<u>3,700</u>	<u>5,130</u>
	<u>12,326</u>	<u>14,562</u>

As at 31 December 2024, the effective interest rate of bank borrowing and other borrowings was approximately 5.24% (2023: 5.85%).

As at 31 December 2024, the Group's bank and other borrowing were charged with interest rate from 4.0% to 5.77% per annum (2023: 3.8% to 11.34%).

As at 31 December 2024, the Group's bank and other borrowings of RMB8,626,000 (2023: RMB9,432,000) were secured by the pledge of certain properties (note 11) with a carrying amount of RMB26,942,000 (2023: RMB28,358,000) and guaranteed by the Company. Besides, the Group's bank and other borrowings of RMB3,700,000 (2023: RMB5,130,000) were guaranteed by the management of certain subsidiaries of the Company.

As at 31 December 2023, the Group's bank and other borrowings amounting to approximately RMB893,000 were cross-defaulted resulting in the default events happened in respect of its related parties, shareholders or ultimate beneficial owners of the Group in accordance with the clauses in the respective loan agreements. As a result of the default and cross-default payments of borrowings for Redco Properties Group, the Controlling Party, the cross-default clauses of certain of the Group's bank and other borrowings were triggered. Thus, the Group's bank and other borrowings of approximately RMB893,000 would be immediately due if requested by the lenders and are classified as current liabilities. The loan was repaid during the year ended 31 December 2024.

## 16 Share capital

	Number of shares	Share capital	
		HK\$'000	RMB'000
<b>Ordinary shares of HK\$0.1 each</b>			
Authorised:			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,000,000,000	100,000	81,108
<b>Issued and fully paid:</b>			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	200,000,000	20,000	16,220

There were no movements in the share capital of the Company for both years.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Review

Looking back to 2024, the global economy still experienced numerous challenges in the process of gradual recovery. The post-pandemic adjustments, the gradual restoration of supply chains, the easing of inflation, and the complex evolution of geopolitics together shaped a market environment full of uncertainties. Against this background, the real estate industry gradually showed signs of recovery, while the property management sector also embraced new development opportunities.

Leading property management companies have demonstrated their excellent adaptability and innovative spirit during the year. They not only effectively addressed the challenges brought by the market changes, but also keenly identified and seized new growth opportunities amid industry changes, which injected strong impetus into the sustainable development of the industry.

Companies with excellent property management continued to lead the industry trend in the fields of digital transformation, green sustainability and deepening service innovation. By introducing advanced technologies, optimizing service processes, and enhancing service quality, these companies not only solidified their market position but also further elevated their brand influence and customer satisfaction.

Facing rapid market changes and increasingly diverse customer demands, the Group consistently maintains keen market insight and flexible strategic adjustment capabilities. We insist on putting customers first, deeply exploring service potential, while proactively promoting the deep integration of information technology and healthcare services, thus to achieve the optimization and precise expansion of business layout. By strictly adhering to market regulatory requirements, we continuously improve our internal control systems and strengthen risk management, to ensure that the Company maintains steady growth in the complex and ever-changing market environment.

The Group continues to deepen the “lifestyle + healthcare” dual butler service system. By integrating broader industry resources and public resources, the Group aims to further expand and enrich community service scenarios. We are committed to providing customers with more personalized, diversified and high-quality life experience with professionalism, dedication and innovative spirit.

Moreover, supported by strong smart technology, we constantly improve our digital and intelligent application level, which significantly enhanced our operational efficiency and service experience.

## **Business Review**

The Company is a property management service provider with a leading position in Jiangxi Province, the People’s Republic of China (the “**PRC**”) and a service network strategically covering core regions such as the Yangtze River Delta Region, the Greater Bay Area, the Bohai Rim Region and the Central China Region. We have always been adhering to the brand concept of “striving for a healthy better life”, relying on the service concept of “lifestyle + healthcare” dual butlers, empowering our business with technology and serving our property owners with quality. We will keep up with the industry trend and implement the development strategy of the Company through scientific research and judgement, so as to achieve steady growth in business performance.

During the year ended 31 December 2024, the Group recorded revenue of approximately RMB419.6 million, representing a decrease of approximately 6.6%. Loss for the year ended 31 December 2024 was approximately RMB20.1 million, as compared to net profit of approximately RMB0.3 million for the year ended 31 December 2023. Loss and other comprehensive expense for the year ended 31 December 2024 was approximately RMB19.9 million as compared to profit and other comprehensive income of approximately RMB0.6 million for the year ended 31 December 2023. As at 31 December 2024, the aggregate gross floor area (“**GFA**”) under management of the Group reached approximately 21.1 million square meter(s) (“**sq.m.**”), representing an increase of approximately 2.8% as compared to approximately 20.5 million sq.m. for the year ended 31 December 2023.

The total contracted GFA of the Group as at 31 December 2024 was approximately 27.3 million sq.m., representing an increase of approximately 0.7% as compared to approximately 27.1 million sq.m. for the year ended 31 December 2023.

## Outlook

Looking forward to 2025, the Group will further consolidate its market leadership position in economically developed regions, relying on its core competitiveness in property service. Our strategic plan will closely integrate the development trends of technology development, social responsibility and low-carbon economy, and will continuously enrich and expand our project dimensions through internal innovative growth and resource integration, to create a new style for future life.

With a solid foundation in deep cultivation of property services for many years, we will continue to expand the service boundary, carefully charting and actively exploring the fields of healthcare and smart technology. We are committed to gradually applying artificial intelligence (“AI”) technology and robot technology, building intelligent and convenient life scenarios for our customers. The Company has implemented service systems throughout the life cycle from design to operation and maintenance and has made outstanding progress in key areas such as software development, smart community platform and intelligent design and construction to create a safer, smarter, more convenient and healthier living environment for its customers.

Meanwhile, we will provide customers with a more intelligent, efficient and personalized service experience by continuously improving the “lifestyle + healthcare” dual butler service system, leveraging AI algorithms and big data analysis and upgrading our own intelligent management platform. In addition, we will continue to strengthen our attention and investment in the fields of green technology and sustainable development and strive to build a green, healthy and sustainable social and living environment, making positive contributions to the promotion of environmental protection and low-carbon economic construction, leading the new trend of future life.

## FINANCIAL REVIEW

### Revenue

The revenue of the Group was derived from three business segments: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services in the PRC. The revenue of the Group decreased by approximately 6.6% from approximately RMB449.3 million for the year ended 31 December 2023 to approximately RMB419.6 million for the year ended 31 December 2024.

The following table sets forth the details of the Group's revenue by business segments for the years indicated:

	Year ended 31 December					
	2024		2023		Changes	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property management services	<b>318,785</b>	<b>76.0</b>	293,752	65.4	25,033	8.5
Value-added services to non-property owners	<b>51,487</b>	<b>12.3</b>	71,151	15.8	(19,664)	(27.6)
Community value-added services	<b>49,363</b>	<b>11.7</b>	84,370	18.8	(35,007)	(41.5)
	<b><u>419,635</u></b>	<b><u>100.0</u></b>	<b><u>449,273</u></b>	<b><u>100.0</u></b>	<b><u>(29,638)</u></b>	<b><u>(6.6)</u></b>

#### *Property management services*

Revenue from property management services increased by approximately 8.5% from approximately RMB293.8 million for the year ended 31 December 2023 to approximately RMB318.8 million for the year ended 31 December 2024, primarily attributable to the (i) increase in the GFA under management of the Group in 2024; and (ii) increase in average property management fee charged by the Group.

### ***Value-added services to non-property owners***

Revenue from value-added services to non-property owners decreased by approximately 27.6% from approximately RMB71.2 million for the year ended 31 December 2023 to approximately RMB51.5 million for the year ended 31 December 2024, primarily attributable to the significant decrease in revenue from the sales offices management services and pre-delivery inspection and cleaning services provided to Redco Properties Group Limited, a company listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 1622) (“**Redco Properties**”) and its subsidiaries (“**Redco Properties Group**”) as a result of the decrease in the number of projects delivered by Redco Properties Group for the year ended 31 December 2024.

### ***Community value-added services***

Revenue from community value-added services decreased by approximately 41.5% from approximately RMB84.4 million for the year ended 31 December 2023 to approximately RMB49.4 million for the year ended 31 December 2024, primarily due to the decrease in revenue for the home renovation and decoration services to property owners as a result of the decrease in properties delivered by Redco Properties Group during the year ended 31 December 2024.

### **Cost of sales**

The cost of services primarily consists of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) maintenance expenses; (iv) utility and security charges; and (v) other expenses such as depreciation of property, plant and equipment and amortization of intangible asset.

Cost of services decreased by approximately 5.4% from approximately RMB323.6 million for the year ended 31 December 2023 to approximately RMB306.2 million for the year ended 31 December 2024, primarily due to the decrease in cleaning expenses and direct material cost for home renovation and decoration services as a result of the drop in revenue for the year ended 31 December 2024.

## Gross profit and gross profit margin

The following table sets forth the details of the Group's gross profit and gross profit margin by types of services for the years indicated:

	Year ended 31 December			
	2024		2023	
	Gross profit	Gross profit	Gross profit	Gross profit
	Margin	Margin	Margin	Margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property management services	<b>78,421</b>	<b>24.6</b>	71,088	24.2
Value-added services to non-property owners	<b>17,454</b>	<b>33.9</b>	24,262	34.1
Community value-added services	<b>17,554</b>	<b>35.6</b>	30,322	35.9
	<b><u>113,429</u></b>	<b><u>27.0</u></b>	<b><u>125,672</u></b>	<b><u>28.0</u></b>

The gross profit of the Group decreased by approximately 9.7% from approximately RMB125.7 million for the year ended 31 December 2023 to approximately RMB113.4 million for the year ended 31 December 2024, due to the reasons as indicated below:

### *Property management services*

The gross profit margin for property management services increased to approximately 24.6% for the year ended 31 December 2024 from approximately 24.2% for the year ended 31 December 2023 due to the increase in average property management fee charged by the Group during the year ended 31 December 2024.

### ***Value-added services to non-property owners***

The gross profit margin for value-added services to non-property owners decreased from approximately 34.1% for the year ended 31 December 2023 to approximately 33.9% for the year ended 31 December 2024, primarily due to the decreased contribution from sales offices management services under pre-sale management services during the year ended 31 December 2024, which had relatively higher gross profit margin than that of other pre-sale management services such as pre-delivery inspection and cleaning services, as a result of the decrease in the number of projects delivered by Redco Properties Group for the year ended 31 December 2024.

### ***Community value-added services***

The gross profit margin for community value-added services decreased from approximately 35.9% for the year ended 31 December 2023 to approximately 35.6% for the year ended 31 December 2024 due to the decrease in home renovation and decoration services provided to the property owners as a result of the decrease in number of projects delivered by Redco Properties Group, which typically has relatively higher gross profit margin than that of other community value-added services.

### **Other income, gains and losses, net**

Other income and gains (net) decreased from approximately RMB3.3 million for the year ended 31 December 2023 to other losses (net) of approximately RMB1.9 million for the year ended 31 December 2024 primarily due to compensation of approximately RMB2.7 million made by the Group due to an accident occurred during the year ended 31 December 2024.

### **Selling and marketing expenses**

Selling and marketing expenses increased to approximately RMB2.9 million for the year ended 31 December 2024 from approximately RMB1.7 million for the year ended 31 December 2023, primarily due to the increase in sales promotional events or booths in order to boost the sales of healthcare services to property owners during the year ended 31 December 2024.

## **General and administrative expenses**

General and administrative expenses primarily consist of administrative staff's employee benefit expenses and bonuses, travel and entertainment, office expenses, depreciation and amortisation and other expenses relating to administration activities, bank charges and tax and surcharges.

Administrative expenses decreased by approximately 2.9% from approximately RMB57.9 million for the year ended 31 December 2023 to approximately RMB56.2 million for the year ended 31 December 2024, due to the decrease in staff's employee benefit expenses as a result of the decrease in average headcount of administrative and human resources staff during the year ended 31 December 2024 as compared to 2023.

## **Impairment losses on financial assets, net of reversal**

The impairment losses on financial assets, net of reversal, amounted to approximately RMB41.0 million for the year ended 31 December 2024 (31 December 2023: approximately RMB63.4 million). The provision for impairment losses on trade and other receivables and amounts due from related parties and non-controlling interests during the year ended 31 December 2024 were made based on the Company's assessment on the credit risks and financial conditions of the related parties and third parties in the real estate industry in the PRC.

## **Finance income**

Finance income represented the interest income from bank deposits. Finance income increased from approximately RMB1.0 million for the year ended 31 December 2023 to approximately RMB1.2 million for the year ended 31 December 2024 due to the increase in interest income from bank deposits as a result of the increase in interest rates from banks.

## **Finance costs**

Finance costs decreased from approximately RMB1.6 million for the year ended 31 December 2023 to approximately RMB1.0 million for the year ended 31 December 2024, primarily due to the repayments of bank and other borrowings during the year ended 31 December 2024.

## **Income tax expenses**

Income tax expenses increased to approximately RMB8.8 million for the year ended 31 December 2024 from approximately RMB6.7 million for the year ended 31 December 2023.

## **Loss and total comprehensive (expense) income for the year**

The profit and total comprehensive income for the year decreased from approximately RMB0.6 million for the year ended 31 December 2023 to loss and other comprehensive expense of approximately RMB19.9 million for the year ended 31 December 2024.

## **Property, plant and equipment**

The property, plant and equipment of the Group mainly consist of an office, car parking spaces, office equipments, machineries, vehicles, leasehold improvements and right-of-use assets. The decrease in balance from approximately RMB63.3 million as at 31 December 2023 to approximately RMB44.9 million as at 31 December 2024 was mainly due to the impairment losses of leasehold improvement and right-of-use assets of approximately RMB7.8 million and RMB8.6 million, respectively and the depreciation charge of approximately RMB7.8 million incurred during the year ended 31 December 2024. The effect was partially offset by the additions of leasehold improvement of approximately RMB5.5 million during the year ended 31 December 2024.

## **Intangible assets**

The intangible assets of the Group mainly comprise property management contracts, customer relationship, computer software and goodwill resulted from the acquisitions of Wuhu Senlin Property Management Co., Ltd., Zhongtian Yunlian Technology Development Co., Ltd. and Weiye International Investments Company Limited (“**Weiye International Group**”) by the Group in December 2020. The intangible assets of the Group decreased from approximately RMB46.7 million as at 31 December 2023 to approximately RMB34.8 million as at 31 December 2024 mainly due to the impairment of goodwill for Weiye International Group of approximately RMB8.3 million and the amortization of customer relationship and computer software amounted to approximately RMB5.6 million during the year ended 31 December 2024. The effect was partially offset by the additions of the computer software of approximately RMB2.0 million during the year ended 31 December 2024. Due to the decline in revenue and gross profit, Weiye International Group incurred a net loss during the year ended 31 December 2024, mainly attributable to the decrease in revenue and gross profit from community healthcare services. Such decrease was primarily due to the decrease or delay in new projects delivered by Redco Properties Group for the year ended 31 December 2024, resulting in the decrease in demand for community healthcare services rendered by Weiye International Group for the year ended 31 December 2024. For prudence sake, the Directors performed impairment assessment on the cash-generating units (“**CGU**”) attributable to community healthcare services under Weiye International Group and assessed the recoverable amount of the CGU based on value in use calculation or fair value less cost of disposal, whichever is higher.

As at 31 December 2024, the recoverable amounts of the CGU in Weiye International Group are lower (2023: higher) than their carrying amounts and management determined that impairment provision on goodwill of approximately RMB8,272,000 (2023: nil) was required as at 31 December 2024.

### **Inventories**

Inventories mainly consist of car parking spaces and commercial properties acquired in relation to debts settlement arrangement made during the year ended 31 December 2024.

### **Trade and other receivables and prepayments**

Trade receivables mainly arise from provision of property management services, value-added services to non-property owners and community value-added services.

Trade receivables of the Group, net of allowance for impairment, increased from approximately RMB224.9 million as at 31 December 2023 to approximately RMB264.7 million as at 31 December 2024, primarily because of the increase in the number of projects as well as the GFA under management under the property management service segment of the Group during the year ended 31 December 2024.

Other receivables mainly consist of deposits, and payments made on behalf of property owners and.

Other receivables and prepayments, net of allowance for impairment decreased from approximately RMB24.9 million as at 31 December 2023 to approximately RMB21.3 million as at 31 December 2024 mainly because the Group reduced the advances to suppliers to during the year ended 31 December 2024.

### **Trade payables**

Trade payables decreased from approximately RMB22.7 million as at 31 December 2023 to approximately RMB20.7 million as at 31 December 2024, primarily due to the decrease in expenses paid to suppliers which was in line with the decrease in cost of services of the Group during the year ended 31 December 2024.

### **Accruals and other payables**

Accruals and other payables increased from approximately RMB72.7 million as at 31 December 2023 to approximately RMB77.6 million as at 31 December 2024, due to the increase in other tax payables during the year ended 31 December 2024.

### **Contract liabilities**

Contract liabilities primarily consist of advances of property management fees and other service fees. Contract liabilities increased from approximately RMB111.4 million as at 31 December 2023 to approximately RMB114.5 million as at 31 December 2024, primarily due to the increase in the number of properties managed by the Group during the year ended 31 December 2024.

### **Lease liabilities**

As at 31 December 2023 and 2024, the lease liabilities amounted to approximately RMB3.2 million and RMB3.1 million, respectively.

### **Bank and other borrowings**

Borrowings represented the bank and other borrowings granted to the Group. Borrowings decreased from approximately RMB14.6 million as at 31 December 2023 to approximately RMB12.3 million as at 31 December 2024 due to the repayment made by the Group during the year ended 31 December 2024. As at 31 December 2024, bank borrowings denominated in Hong Kong dollars (“**HK\$**”) amounted to approximately HK\$9.3 million (31 December 2023: HK\$10.4 million) and were charged with interest rate of 1-month HIBOR plus 1.3% per annum (31 December 2023: 1-month HIBOR plus 1.3% per annum), while bank and other borrowings denominated in RMB amounted to approximately RMB3.7 million (31 December 2023: RMB5.2 million); and the effective interest rate of bank borrowing and other borrowings was approximately 5.24% (31 December 2023: 5.85%). As at 31 December 2024, the Group’s bank and other borrowing was charged with interest rate from 4.0% to 5.77% per annum (31 December 2023: 3.8% to 11.34%).

As at 31 December 2023, the Group's bank and other borrowings amounting to approximately RMB893,000 were cross-defaulted resulting from the default events happened in respect of its related parties, shareholders or ultimate beneficial owners in accordance with the clauses in the respective loan agreements. As a result of the default and cross-default payments of borrowings for Redco Properties Group, the controlling shareholder of the Company, the cross-default clauses of certain of the Group's bank and other borrowings were triggered. Thus, the Group's bank and other borrowings of approximately RMB893,000 would be immediately due if requested by the lenders and are classified as current liabilities.

### **Liquidity and Financial Resources**

As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately RMB137.5 million (31 December 2023: RMB178.9 million). As at 31 December 2024 and 31 December 2023, respectively, the Group's cash and cash equivalents were denominated in HK\$, RMB and United States Dollars ("US\$").

The Group maintained a sound financial position. As at 31 December 2024, the Group's net current assets amounted to approximately RMB188.7 million (31 December 2023: RMB186.2 million). As at 31 December 2024, the Group's current ratio (current assets/current liabilities) was approximately 1.7 (31 December 2023: 1.7).

### **Gearing ratio**

Gearing ratio is calculated based on the total interest-bearing borrowings divided by the total equity. As at 31 December 2024, the gearing ratio was 4.1% (31 December 2023: 4.4%).

### **Capital commitments**

As at 31 December 2024, the Group did not have any material capital commitments (31 December 2023: Nil).

### **Contingent liabilities**

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

### **Pledge of assets**

As at 31 December 2024, the Group's bank and other borrowings of RMB8,626,000 (2023: RMB9,432,000) was secured by the pledge of certain properties (note 11) with a carrying amount of RMB26,942,000 (2023: RMB28,358,000) and guaranteed by the Company.

### **Foreign exchange risks**

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. The major foreign currency source of the Group is the net proceeds received following the successful listing of the shares of the Company on 31 March 2022, which were denominated in HK\$. The Directors expected that the fluctuations in RMB exchange rate would not have a material adverse effect on the operations of the Group. The Group will closely monitor the fluctuations of the RMB exchange rate and adopt prudent measures to reduce potential foreign exchange risk. As at 31 December 2024, the Group did not engage in hedging activities for managing the foreign exchange risk.

### **Interest rate risks**

As at 31 December 2024 and 31 December 2023, except for bank balances and bank and other borrowings at variable interest rate, the Group does not have other significant interest-bearing assets or liabilities. The interest rates of bank balances and bank and other borrowings are not expected to change significantly, and the relevant interest rate risk is considered immaterial.

## **SIGNIFICANT INVESTMENT HELD**

The Group had no significant investment held during the year ended 31 December 2024.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 31 December 2024, save as disclosed in the prospectus of the Company dated 22 March 2022 (the "Prospectus"), the Group did not have other future plans for material investments and capital assets.

## **EMPLOYEES AND REMUNERATION POLICY**

The Group had 1,883 full-time employees as at 31 December 2024 (31 December 2023: 2,135). The total staff costs for the year ended 31 December 2024 were approximately RMB154.5 million (31 December 2023: RMB162.3 million). Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with the Group's remuneration and welfare policies, the employees' positions, performance, company profitability, industry level and market environment.

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

No event has taken place subsequent to 31 December 2024 and up to the date of this announcement that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

## **FINAL DIVIDEND**

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: Nil).

There is no arrangement that a shareholder of the Company (the "**Shareholder(s)**") has waived or agreed to waive any dividend.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024. The Company does not hold any treasury shares as at 31 December 2024.

## **CORPORATE GOVERNANCE PRACTICES**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance.

During the year ended 31 December 2024, the Company has applied the principles of good corporate governance and complied with all applicable code provisions set out in Part 2 of the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as contained in Appendix C3 to the Listing Rules as the Company’s code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2024.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) had, together with the management and external auditor of the Company, SFAI (Hong Kong) CPA Limited (“**SFAI**”, formerly known as Yongtuo Fuson CPA Limited), reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2024.

## **SCOPE OF WORK OF SFAI**

The figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by SFAI to the amounts set out in the Group’s audited consolidated financial statements for the ended 31 December 2024. The work performed by SFAI in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SFAI on this announcement.

## **ANNUAL GENERAL MEETING**

The 2024 annual general meeting of the Company for the year ended 31 December 2024 (the “AGM”) will be convened and held on Wednesday, 25 June 2025. Notices convening the AGM will be published on the Company’s website and the Stock Exchange’s website and despatched to the Shareholders (if requested) in due course. For the purpose of determining the Shareholders’ eligibility to attend, speak and vote at the AGM, the register of members of the Company will be closed during the periods described below.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 20 June 2025 to Wednesday, 25 June 2025, both days inclusive, in order to determine the eligibility of Shareholders to attend the AGM to be held on Wednesday, 25 June 2025, during which period no share transfers will be registered. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 19 June 2025.

### **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement has been published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.redcohealthy.com](http://www.redcohealthy.com).

The annual report of the Company for the year ended 31 December 2024 will be despatched to the Shareholders (if requested) and made available on the above websites in due course.

## **(2) CHANGE OF PRESIDENT**

### **Resignation of President**

Pursuant to Rule 13.51(2) of the Listing Rules, the Board announces that Mr. Tang Chengyong (“**Mr Tang**”) has tendered his resignation as the president of the Company (the “**President**”) with effect from 27 March 2025 due to work adjustment. Mr Tang will remain as an executive Director. Mr. Tang has confirmed that he has no disagreement with the Board and there is no other matter in relation to this resignation as the President which needs to be brought to the attention of the Shareholders.

## **Appointment of President**

Mr. Yang Zhenqiu (“**Mr Yang**”), the senior vice president of the Group, has been appointed as the President with effect from 27 March 2025.

Mr. Yang, aged 47, joined the Group in November 2021 as general manager of the property management department. He was appointed as a vice president of the Group in June 2022 and a senior vice president of the Group in January 2023, responsible for the management of the Group’s operational business.

Mr. Yang has been deeply involved in the property industry for approximately 25 years and was the senior director of the operation and management center of Colour Life Services Group Co., Limited, a property management company listed on the Stock Exchange (stock code: 01778) and a subsidiary of Fantasia Holdings Group Co., Limited (stock code: 01777), from 2014 to 2020. Mr. Yang is mainly responsible for the daily operation and management of the property management business of the Company’s projects under management.

Mr. Yang was awarded “Top 100 Property Managers in China 2018” (2018 年中國物業經理人100 強) by China Index Academy in 2018, and “China Property Management Industry Outstanding Contribution Personnel Award” (中國物業管理行業突出貢獻人物獎) by China Index Academy in 2023.

Mr. Yang obtained a Master of Business Administration degree in September 2023 from Golden State College in the United States.

Mr. Yang has entered into a service contract with the Company as the President for a term of three years. Pursuant to the service contract, Mr. Yang is entitled to a remuneration of RMB800,000 per annum, which has been determined by the Board based on the recommendation of the remuneration committee of the Company with reference to, among others, his background, experience, qualifications, duties and responsibilities with the Company, the remuneration policy of the Company as well as the prevailing market rates.

As at the date of this announcement, Mr. Yang (i) does not hold any other positions with any members of the Group; (ii) does not, nor did he in the last three years, hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) does not have any interests in the Shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Mr. Yang has confirmed that there is no other information relating to his appointment that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters in connection with his appointment that need to be brought to the attention of the Shareholders.

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

Hong Kong, 27 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.*