Redsun Services Group Limited

弘 陽 服 務 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1971)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

The Group achieved the following results for the six months ended 30 June 2026:

1. The Group's revenue was RMB513.8 million, representing an increase of 0.7% as compared with RMB510.4 million for the corresponding period of 2025.

2. The Group's revenue generated from its business segments are as follows:

   i. revenue from property management services was RMB412.4 million, accounting for 80.3% of total revenue, representing a decrease of 1.8% as compared with RMB420.0 million for the corresponding period of 2025;

   ii. revenue from value-added services to non-property owners was RMB4.94 million, accounting for 1.0% of total revenue, representing a decrease of 55.1% as compared with RMB11.0 million for the corresponding period of 2025;

   iii. revenue from community value-added services was RMB91.28 million, accounting for 17.7% of total revenue, representing an increase of 15.0% as compared with RMB79.4 million for the corresponding period of 2025.

   iv. revenue from other services was RMB5.15 million, accounting for 1.0% of total revenue.

3. Gross profit was RMB110.7 million, representing a decrease of 2.4% as compared with RMB113.4 million for the corresponding period of 2025. Gross profit margin was 21.5%, representing a decrease of 0.7 percentage points as compared with 22.2% for the corresponding period of 2025.

4. Profit for the Reporting Period was RMB2.5 million, representing a decrease of 91.4% as compared with profit of RMB28.5 million for the corresponding period of 2025. Profit for the Reporting Period attributable to equity shareholders of the Company was RMB5.0 million, representing a decrease of 79.5% as compared with profit attributable to equity shareholders of RMB24.4 million for the corresponding period of 2025.

5. As at 30 June 2026, the Group had contracted GFA of approximately 47.4 million sq.m., representing a decrease of approximately 5.0% as compared with contracted GFA of 49.9 million sq.m. as at 30 June 2025. GFA under management was approximately 44.4 million sq.m., representing a decrease of approximately 7.9% as compared with GFA under management of 48.2 million sq.m. as at 30 June 2025.

6. The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Redsun Services Group Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period of the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June

	Notes	**2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
REVENUE	5	**513,771**	510,371
Cost of services		**(403,084)**	(396,971)
Gross profit		**110,687**	113,400
Other income and gains		**481**	1,671
Selling and distribution expenses		**(1,939)**	(1,020)
Administrative expenses		**(42,761)**	(41,387)
Impairment losses on financial assets, net		**(58,903)**	(26,858)
Other expenses		**(222)**	(1,003)
Finance costs		**(117)**	(545)
PROFIT BEFORE TAX	6	**7,226**	44,258
Income tax expense	7	**(4,765)**	(15,788)
PROFIT FOR THE PERIOD		**2,461**	28,470
Attributable to:			
Equity holders of the Company		**4,951**	24,444
Non-controlling interests		**(2,490)**	4,026
		2,461	28,470

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
Six months ended 30 June

	Note	**2026**	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted			
– For profit for the period		**RMB0.01**	RMB0.06
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,461**	28,470
Attributable to:			
Equity holders of the Company		**4,951**	24,444
Non-controlling interests		**(2,490)**	4,026
		2,461	28,470

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**22,711**	26,345
Goodwill		**156,048**	156,048
Other intangible assets		**35,157**	43,073
Deferred tax assets		**101,164**	86,438
Total non-current assets		**315,080**	311,904
CURRENT ASSETS			
Inventories	11	**365,907**	367,401
Trade receivables	10	**299,384**	291,248
Prepayments, other receivables and other assets		**165,238**	231,901
Amounts due from related companies		**248,070**	253,616
Cash and bank balances		**304,483**	414,951
Total current assets		**1,383,082**	1,559,117
CURRENT LIABILITIES			
Trade payables	12	**250,442**	312,526
Other payables and accruals	13	**134,282**	221,479
Contract liabilities		**277,250**	281,372
Interest-bearing bank borrowing		**–**	17,259
Tax payable		**79,862**	82,497
Total current liabilities		**741,836**	915,133

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NET CURRENT ASSETS		**641,246**	643,984
TOTAL ASSETS LESS CURRENT LIABILITIES		**956,326**	955,888
NON-CURRENT LIABILITY			
Deferred tax liabilities		**16,745**	18,768
Total non-current liability		**16,745**	18,768
Net assets		**939,581**	937,120
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	14	**3,764**	3,764
Reserves		**859,884**	854,933
		863,648	858,697
Non-controlling interests		**75,933**	78,423
Total equity		**939,581**	937,120

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Redsun Services Group Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law on 12 December 2019. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 7 July 2020. The registered office of the Company is located at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

During the six months ended 30 June 2026 (the "**Reporting Period**"), the Group was mainly involved in the provision of property management services, value-added services to non-property owners, community value-added services and other services.

In the opinion of the directors, the holding company of the Company is Redsun Services Group (Holdings) Limited, which is incorporated in the British Virgin Islands. For the year ended 31 December 2025, the Board was informed that a pledgee has purportedly taken action to enforce the security interest over the pledged shares, which represent approximately 72.77% of the 301,994,000 ordinary shares in the issued share capital of the Company, and appointed Wong Wing Sze Tiffany and Edward Simon Middleton as the joint and several receivers and managers over such pledged shares. In the opinion of the directors of the Company, Mr. Zeng Huansha remains as the controlling shareholder of the Company. The Board therefore considers that the aforementioned matter is not expected to have any material impact on the Group's ordinary course of business activities and operational management. Further details regarding the above are set out in the Company's announcements dated 23 January 2024, 10 May 2024, 20 August 2024, 23 October 2025 and 24 March 2026.

2. BASIS OF PREPARATION

The condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards–Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The amendments did not have any material impact on the condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property management services income, value-added services income and other services income by project locations for the purpose of making decisions about resource allocation and performance assessment. As all the locations have similar economic characteristics and are similar in the nature of property management services, the nature of the aforementioned business processes, the type or class of the customers for the aforementioned business and the methods used to distribute the property management services, value-added services and other services, all locations were aggregated as one reportable operating segment.

Geographical information

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

Information about major customers

No major customer contributed over 10% of the total revenue of the Group during the six months ended 30 June 2026 and 2025.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Property management services	**412,413**	420,018
Value-added services to non-property owners	**4,936**	10,993
Community value-added services	**91,276**	79,360
Other services	**5,146**	–
Total	**513,771**	510,371

5. **REVENUE (continued)**

Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from customers and recognised over time		
Property management services	**412,413**	420,018
Value-added services to non-property owners	**4,740**	7,919
Total	**417,153**	427,937
Revenue from customers and recognised at a point in time		
Value-added services to non-property owners	**196**	3,074
Community value-added services	**91,276**	79,360
Other services	**5,146**	–
Total	**96,618**	82,434

6. **PROFIT BEFORE TAX**

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of services provided	**403,084**	396,971
Depreciation of property, plant and equipment	**6,093**	4,636
Amortisation of other intangible assets	**7,916**	7,999
Net foreign exchange loss/(gain)	**677**	(73)
Impairment losses on amounts due from related companies	**34,390**	19,831
Impairment losses on trade receivables	**20,385**	2,086
Impairment losses on financial assets included in prepayments, other receivables and other assets	**4,128**	4,941
Loss on disposal of property, plant and equipment	**670**	166

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profit currently arising in Hong Kong for the six months ended 30 June 2026 and 2025.

Subsidiaries of the Group operating in Mainland China are generally subject to the PRC corporate income tax at a rate of 25% during the Reporting Period, excluding certain subsidiaries of the Group in the PRC which are either located in western cities (subject to a preferential income tax rate of 15%) or qualified as Small and Micro Enterprises (subject to a preferential income tax rate of 2.5% or 5%) for the six months ended 30 June 2026 and 2025.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
Corporate income tax	**21,514**	18,237
Deferred tax	**(16,749)**	(2,449)
Total tax charge for the period	**4,765**	15,788

8. DIVIDENDS

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 415,000,000 (2025: 415,000,000) in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the periods.

The calculations of basic earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	**4,951**	24,444

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**415,000,000**	415,000,000

10. TRADE RECEIVABLES

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**191,861**	112,832
1 to 2 years	**65,047**	144,494
2 to 3 years	**23,514**	19,367
Over 3 years	**18,962**	14,555
Total	**299,384**	291,248

An impairment analysis was performed using a provision matrix to measure expected credit losses. The provision rates were based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns. The measurement reflected the probability-weighted outcome, the time value of money and reasonable and supportable information that was available at the reporting date about past events, current conditions and forecasts of future economic conditions.

10. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2026

		Past due			
	Current	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**8.55%**	**25.27%**	**36.03%**	**60.80%**	**21.62%**
Gross carrying amount (RMB'000)	**209,796**	**87,044**	**36,760**	**48,374**	**381,974**
Expected credit losses (RMB'000)	**17,935**	**21,997**	**13,246**	**29,412**	**82,590**

As at 31 December 2025

		Past due			
	Current	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	8.34%	14.52%	27.79%	57.82%	17.60%
Gross carrying amount (RMB'000)	123,096	169,033	26,820	34,504	353,453
Expected credit losses (RMB'000)	10,264	24,539	7,453	19,949	62,205

11. INVENTORIES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Completed properties held for sale	**370,733**	371,912
Consumables	**374**	689
	371,107	372,601
Less: Write-down of inventories	**(5,200)**	(5,200)
Total	**365,907**	367,401

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**141,710**	186,120
Over 1 year	**108,732**	126,406
Total	**250,442**	312,526

13. OTHER PAYABLES AND ACCRUALS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Receipts on behalf of community residents for utilities	**11,759**	58,569
Deposits received	**40,991**	68,072
Other tax payable	**51,057**	51,619
Payroll and welfare payable	**26,130**	27,375
Dividend payable	**1,020**	1,780
Others	**3,325**	14,064
Total	**134,282**	221,479

14. SHARE CAPITAL

Shares

	30 June 2026	31 December 2025
	HK$	*HK$*
	(Unaudited)	(Audited)
Authorised:		
1,000,000,000 (2025: 1,000,000,000) ordinary shares of HK$0.01 each (2025: HK$0.01 each)	**10,000,000**	10,000,000
	RMB'000	*RMB'000*
Issued and fully paid:		
415,000,000 (2025: 415,000,000) ordinary shares of HK$0.01 each (2025: HK$0.01 each)	**3,764**	3,764

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW FOR THE FIRST HALF OF 2026

In the first half of 2026, the property management industry underwent a profound transformation: on the policy front, compliance supervision was strengthened, clarifying the industry's role in serving people's livelihoods; on the market front, companies abandoned scale expansion, focusing on high-quality existing projects and actively divesting inefficient assets; on the operational front, driven by upward cost pressures, there was a significant push into non-residential sectors and community value-added services. The industry comprehensively accelerated its adoption of intelligent technologies and AI applications, achieving lean operations through digitalisation. Industry resources continued to concentrate among leading enterprises with strong brands, technology and diversified operational capabilities, with high-quality development becoming the main theme of the industry.

In response to the prevailing development trend of enhancing the quality of existing assets in the industry and focusing on core regions, the Group implemented a synergistic strategy of regional deep cultivation and tiered expansion in the first half of the year. With "penetrating the Greater Jiangsu Region (做透大江蘇)" as its foundation, "strengthening foothold in the Yangtze River Delta Region (深耕長三角)" as its development nexus, and "expanding into core cities (做強中心城)" as its growth engine, the Group established a nationwide layout with complementary links and clear layers. The Company focuses its resources on deploying in high-value regions, deepens its diversified service chains, coordinates regional resource synergies, accelerates its transformation from scale expansion to quality and efficiency, and builds a property operation brand with strong regional competitiveness and industry recognition.

In the first half of 2026, the Company implemented its regional deep-cultivation strategy, establishing a three-pronged expansion system comprising neighborhood fission, deep mining of existing customers, and all-staff expansion into public construction projects. Leveraging existing residential project resources, we successfully converted multiple high-quality residential projects in the Yangtze River Delta, solidifying our residential core business; we deeply mined existing cooperative clients in hospitals and banks, achieving multi-project re-expansion and growth with the same clients; concurrently, we mobilized all staff to tackle the public construction sector, securing diverse benchmark projects such as hospitals, industrial parks, energy plant areas and state-owned enterprises. Balanced expansion across multiple channels and business sectors effectively diversifies operational risks, continuously enhancing regional market share and business resilience against economic cycles.

The Company continues to implement its three-year strategic quality plan, adhering to quality service as its core focus, relying on quality bases to unify service standards, creating benchmark demonstration projects, and continuously optimizing the customer's end-to-end service experience. Driven by refined quality operations, a virtuous development pattern of "quality enhancing reputation, and reputation driving business" has been formed.

In the first half of the year, the Group's diversified value-added businesses achieved breakthroughs in multiple areas: the elevator maintenance business fully met its targets, seizing new growth opportunities from the national debt-funded elevator renovation policy; community charging and self-service car wash convenience services were implemented in multiple locations, with digital platforms empowering refined operations.

In the first half of the year, the Group improved its stratified talent development system, with the core focus on forging "Li Yunlong-style cadres" who are pragmatic and capable of tackling tough challenges, and promoted talent echelon building at different levels: implemented the standardized training path for Redsun Housekeeper to enhance frontline service capabilities through practical scenarios and training; conducted regional advanced intensive training for project managers to strengthen middle management's operational and problem-solving capabilities; and continuously advanced the cultivation of a three-tier echelon of project directors, reserving high-end management talent through internal and external empowerment and benchmark study visits. Concurrently, the Group is unearthing the exemplary achievements of benchmark cadres, disseminating innovative culture through interviews with individuals, and establishing a value orientation of practical work and diligent striving. A sound talent cultivation mechanism continuously strengthens the reserve forces at all levels, comprehensively enhancing the professional efficiency of the team, thereby solidifying organizational talent support for the Company's high-quality and sustainable development.

Leveraging its steadily improving comprehensive strength and the profound accumulation of service power, operational power and brand power, the Group ranked 16th among the "Top 100 Property Management Companies in 2026 (2026中國物業服務百強企業)".

The Group's business footprint covers diverse property sectors including residential properties, schools, government and public buildings, industrial parks, commercial office buildings, financial institutions and data centers. It also provides specialized property consulting services, establishing a business structure with linked balance, synergy and complementarity between residential and non-residential sectors, thereby effectively hedging against the cyclical fluctuation risks of a single residential sector. As of 30 June 2026, the Group's property management and value-added services business covers 43 cities nationwide, with a total of 327 contracted projects on hand, and a total contracted gross floor area of approximately 47.43 million square meters, representing a decrease compared to 49.90 million square meters for the same period in 2025; the total gross floor area under management for the current period was approximately 44.40 million square meters, representing a decrease compared to 48.23 million square meters for the same period in 2025. The changes in both scale indicators are due to the Company's proactive implementation of a quality and efficiency-driven development strategy, continuously divesting inefficient existing projects with low collection rates, weak profitability and high operation and maintenance costs, while concentrating resources on cultivating high-value and high-quality projects and increasing its layout in high-resilience non-residential sectors. Following structural optimization, the Group's overall project profitability and owner satisfaction have steadily improved, and business development has completely moved away from a sole focus on scale expansion. The quality of existing assets and comprehensive operating efficiency have improved simultaneously, and the momentum of high-quality development continues to be consolidated.

During the Reporting Period, affected by the unfavorable factors such as the overall downward situation in the macro economy and upstream real property industry, the Group achieved revenue of RMB513.8 million, representing an increase of 0.7% as compared with that for the corresponding period of 2025. The gross profit was RMB110.7 million, representing a decrease of 2.4% as compared with that for the corresponding period of 2025. The net profit was RMB2.5 million, representing a decrease of 91.2% as compared with that for the corresponding period of 2025.

PROSPECTS

In the medium to long term, the property management industry is accelerating its transformation towards "integrated urban operational services", and the industry's development logic is being thoroughly restructured: policies continue to integrate property services into the core carriers of grassroots governance, new-type urbanization, and green and low-carbon construction, making compliance and standardization rigid thresholds; the market is abandoning extensive scale expansion, with intensive cultivation of existing properties and urban services expansion becoming the main themes, and resources continuously concentrating towards leading enterprises with regional barriers, multi-sector operations, digital foundations and stable profitability; labor costs are under long-term pressure, and diversified businesses such as public construction, integrated energy and community value-added services are keys to navigating cycles and unlocking growth potential; digitalisation, AI and the Internet of Things are upgrading from optional supporting facilities to core productive forces, with digital drive reshaping the entire chain of operational models.

The Group adheres to its core strategy of "penetrating the Greater Jiangsu Region, strengthening foothold in the Yangtze River Delta Region and expanding into core cities (做透大江蘇, 深耕長三角, 做強中心城)", abandoning a purely scale-driven approach. With value growth at its core, the Group is anchored in five major directions: regional deep cultivation, diversified expansion, digital empowerment, talent base consolidation and comprehensive risk control. The Group is committed to upgrading itself into a regionally leading urban comprehensive service provider with nationwide influence, deeply serving the overall refined governance of cities.

Firstly, to deeply cultivate core city clusters and optimize asset structure. Continuously divest inefficient projects, concentrating resources on high-value areas in the Yangtze River Delta; improve the multi-dimensional expansion model of existing stock fission, re-cultivation of old customers, and tackling public construction projects; balance the layout of residential properties with high-resilience non-residential sectors such as schools, industrial parks and data centers; coordinate electromechanical maintenance and integrated energy to jointly expand the customer base, build differentiated competitive barriers, and continuously enhance market share and profitability in core markets.

Secondly, to deeply cultivate quality services and profoundly integrate into grassroots governance. Implement a nationwide quality base standardization system, replicating service standards across all benchmark projects; collaborate with sub-districts and communities to undertake urban services such as management of old residential areas and public spaces, relying on high-quality services to improve satisfaction and collection rates, thereby forming a virtuous cycle of "quality driving operations"; simultaneously advance refined cost control across the entire chain, continuously unlocking profit margins for individual projects.

Thirdly, to implement a synergistic layout of diversified business sectors to broaden the long-term growth curve. Construct a business matrix comprising four major segments: basic property management, professional mechanical and electrical maintenance, integrated energy and community value-added services; seize policy dividends such as the renovation of old equipment, electricity sales, and convenient new energy solutions for communities; deeply explore the full lifecycle needs of communities and industrial parks, reduce reliance on single property management fees, and fully unleash the comprehensive value of urban spaces.

Fourthly, to comprehensively promote digital and intelligent transformation to build a technological moat. Establish an integrated smart operations middle-office, connect data across the entire chain of services, billing, equipment and energy, implement AI operations and a BI operational early warning system, and promote the shift from experience-driven to data-driven operations; reduce labor costs through smart equipment and online processes, and support comprehensive refined operation and scientific decision-making with digital capabilities.

Fifthly, to improve the long-term talent system and consolidate the organizational foundation. Implement a flat and agile structure of "advancement of headquarters, enhancement of regions, and optimization of projects (精總部、強區域、優專案)", improve the tiered training channels for Hongyang Elite, Redsun Housekeeper, Hongyang Master and Hongyang guard, and practically cultivate composite business management talents; uphold an enterprise culture that prioritizes strivers, activate the organization's intrinsic motivation, and support the long-term national multi-sector layout.

Sixthly, to establish a pre-emptive risk control system to ensure stable operations. Covering comprehensive control across safety operations, cash flow receivables, compliance litigation and investment expansion, regularly implementing safety inspections and arrears collection, proactively resolving various operational concerns, and solidifying the foundation for long-term stable development.

Looking to the long term, new-type urbanization, refined urban governance, green and low-carbon development, and convenient public services are sectors with broad prospects. The Group will seize the development opportunities of the times, focusing on enhancing value, deepening regional presence, fostering diversified synergy, empowering through digitalisation, and strengthening its talent base. The Group will continuously improve its comprehensive competitiveness and profitability resilience, steadily advancing towards becoming a first-class integrated urban beautiful life operator, creating sustainable long-term value for customers, employees and shareholders while serving urban development and improving people's livelihoods.

BUSINESS REVIEW

Our Business Model

Upholding the layout strategy of "penetrating the Greater Jiangsu Region, strengthening foothold in the Yangtze River Delta Region and expanding into core cities (做透大江蘇, 深耕長三角, 做強中心城)" and surrounding the "customer-centric" service philosophy, we continue to enhance the Redsun Model and are committed to providing owners with warm quality services. We continue to establish and expand our foothold deeply in major cities to effectively achieve optimal resource allocation. We provide a wide range of property management services to property owners, residents and tenants, value-added services to non-property owners, primarily property developers, and other property management companies, and community value-added services to residential property owners and residents.

Property management services: We provide property owners, residents and tenants with a wide range of comprehensive property management services, including order maintenance, cleaning and sanitation, greenery maintenance, facility management, customer services, repair and maintenance, etc. The types of properties under management are diverse, including residential, commercial and other property types, among which, the scope of services for non-residential properties continues to expand, which covers not only hospital centers, operators' business halls and other properties, but also extends to office buildings, industrial parks, schools and other diverse property scenarios.

Value-added services to non-property owners: We also provide value-added services to non-property owners, including (i) consulting services to other property management companies; (ii) preliminary planning and design consultancy services to property developers for property development projects; (iii) sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units, including visitor reception, cleaning, security inspection and equipment maintenance; (iv) inspection services to property developers; and (v) other value-added services to property developers, such as property repair services.

Community value-added services: We provide community value-added services to residential property owners and residents with an aim to improve their living experiences and preserve and enhance property value. Specific services are divided into eight major categories: (i) property brokerage services; (ii) property decoration services; (iii) community living convenience services; (iv) common area value-added services; (v) intelligent services; (vi) retail services; (vii) asset management services; and (viii) home decoration services.

Other services: We provide other services to owners and residents of residential properties, including but not limited to sales and marketing services for new houses and parking spaces.

The table below sets forth a breakdown of the Group's total revenue by business lines during the Reporting Period and the corresponding period of 2025:

	As at 30 June 2026		As at 30 June 2025	
	Revenue *(RMB'000)*	**Percentage** *(%)*	Revenue *(RMB'000)*	Percentage *(%)*
Property management services	**412,413**	**80.3**	420,018	82.3
Value-added services to non-property owners	**4,936**	**1.0**	10,993	2.2
Community value-added services	**91,276**	**17.7**	79,360	15.5
Other services	**5,146**	**1.0**	–	–
Total	**513,771**	**100.0**	510,371	100.0

By types of developers:

The table below sets forth the Group's total revenue from property management services, GFA under management and number of projects during the Reporting Period and the corresponding period of 2025:

	As at 30 June 2026			As at 30 June 2025		
	Revenue *(RMB'000)*	**Number of projects** *Units*	**GFA under management** *('000 sq.m.)*	Revenue *(RMB'000)*	Number of projects *Units*	GFA under management *('000 sq.m.)*
Redsun Properties Group(1)	**167,702**	**96**	**15,864**	166,735	98	17,624
Third-party property developers	**244,711**	**226**	**28,541**	253,283	225	30,607
Third party developers(2)	**185,439**	**177**	**21,567**	168,934	170	22,017
Joint ventures and associates of Redsun Properties Group(3)	**59,272**	**49**	**6,974**	84,349	55	8,590
Total	**412,413**	**322**	**44,405**	420,018	323	48,231

Notes:

(1) Includes projects solely developed by Redsun Properties Group Limited (the shares of which are listed on the Stock Exchange (Stock Code: 1996)) and its subsidiaries (collectively, "**Redsun Properties Group**") and properties that Redsun Properties Group jointly developed with other property developers for which properties Redsun Properties Group holds a controlling interest.

(2) Includes properties developed by third-party property developers independent from Redsun Properties Group.

(3) Includes properties developed by property developers which are joint ventures and associates of Redsun Properties Group in which Redsun Properties Group does not hold a controlling interest.

By types of properties we manage:

The table below sets forth the Group's total revenue from property management services, GFA under management and number of projects during the Reporting Period and the corresponding period of 2025:

	As at 30 June 2026			As at 30 June 2025		
	Revenue *(RMB'000)*	**Number of projects** *Units*	**GFA under management** *('000 sq.m.)*	Revenue *(RMB'000)*	Number of projects *Units*	GFA under management *('000 sq.m.)*
Residential properties	**335,226**	**244**	**38,942**	352,785	252	43,770
Non-residential properties	**77,187**	**78**	**5,463**	67,233	71	4,461
Total	**412,413**	**322**	**44,405**	420,018	323	48,231

We manage residential and non-residential properties. Our non-residential properties under management include office buildings, malls and schools, etc. Although the revenue from residential properties still accounts for a substantial proportion of our revenue, we endeavor to diversify our service offerings, so as to cover other types of properties.

By types of geographic presence:

The table below sets forth the Group's total revenue from property management services, GFA under management and number of projects during the Reporting Period and the corresponding period of 2025:

City	**As of 30 June 2026**			As of 30 June 2025		
	Revenue *(RMB'000)*	**Number of projects** *Units*	**GFA under management** *('000 sq.m.)*	Revenue *(RMB'000)*	Number of projects *Units*	GFA under management *('000 sq.m.)*
Nanjing	**120,448**	**96**	**12,556**	118,274	95	12,962
Jiangsu (excluding Nanjing)	**110,927**	**86**	**13,539**	99,567	81	14,644
Shanghai	**4,701**	**1**	**601**	4,466	1	601
Anhui	**43,621**	**39**	**7,175**	47,021	35	7,269
Shandong	**1,577**	**2**	**249**	773	1	100
Hunan	**6,635**	**9**	**1,003**	9,067	9	1,111
Henan	**1,627**	**2**	**247**	2,164	1	239
Zhejiang	**6,883**	**5**	**578**	16,559	11	1,331
Hubei	**70,254**	**47**	**4,844**	76,168	47	5,617
Chongqing	**10,022**	**8**	**1,041**	16,278	8	1,101
Guangdong	**3,007**	**6**	**685**	7,634	6	685
Jiangxi	**7,109**	**3**	**280**	4,210	3	411
Sichuan	**24,667**	**17**	**1,521**	16,217	17	1,743
Shaanxi	**935**	**1**	**86**	1,620	8	417
Total	**412,413**	**322**	**44,405**	420,018	323	48,231

Since the inception of the Group, we have expanded our geographic presence from Nanjing to 43 cities in China as of 30 June 2026.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to RMB513.8 million, representing an increase of 0.7% from RMB510.4 million for the corresponding period in 2025. The increase was mainly attributable to the increase in the Group's community value-added services.

Property management services

During the Reporting Period, the Group's revenue from providing property management services amounted to RMB412.4 million, representing a decrease of 1.8% from RMB420.0 million for the corresponding period in 2025. This was mainly attributable to the Group's withdrawal from certain projects with operating losses.

Value-added services to non-property owners

During the Reporting Period, the Group's revenue from value-added services to non-property owners amounted to RMB4.94 million, representing a decrease of 55.1% from RMB11.0 million for the corresponding period in 2025. This was mainly attributable to the decrease in the sales venue projects served by the Group.

Community value-added services

During the Reporting Period, the Group's revenue from community value-added services amounted to RMB91.28 million, representing an increase of 15.0% from RMB79.4 million for the corresponding period in 2025. During the Reporting Period, the increase in revenue from community value-added services was mainly attributable to the increase in revenue from community merchandise retail and smart equipment such as charging poles.

Cost of services

During the Reporting Period, the Group's cost of services amounted to RMB403.1 million, representing an increase of approximately 1.5% from RMB397.0 million for the corresponding period in 2025. This was mainly attributable to the increase of staff cost and sub-contracting cost of the property management projects by the Group.

Gross profit

As a result of the aforementioned key factors, the Group's gross profit decreased by 2.4% from RMB113.4 million for the six months ended 30 June 2025 to RMB110.7 million for the six months ended 30 June 2026. The decrease was mainly attributable to an increase in the cost of property management services.

The Group's gross profit margin by business lines is set forth below:

	Six months ended 30 June	
	2026	2025
Property management services	**19.7%**	20.0%
Value-added services to non-property owners	**10.0%**	15.0%
Community value-added and other services	**30.2%**	35.1%
Total	**21.5%**	22.2%

During the Reporting Period, the Group's gross profit margin was 21.5%, representing a decrease of 0.7 percentage points from 22.2% for the corresponding period in 2025. This was mainly attributable to the decrease in the gross profit margin of property management services.

The gross profit margin of property management services was 19.7%, representing a decrease of 0.3 percentage points from 20.0% for the corresponding period in 2025. This was mainly attributable to the increase of staff cost and sub-contracting cost of property management projects during the Reporting Period.

The gross profit margin of value-added services to non-property owners was 10.0%, representing a decrease of 5.0 percentage points as compared with 15.0% for the corresponding period in 2025. This was mainly attributable to the increase in the costs of sales assistance services provided to property developers by the Group due to the impact of the real estate industry.

The gross profit margin of community value-added and other services was 30.2%, representing a decrease of 4.9 percentage points from 35.1% for the corresponding period in 2025. This was mainly attributable to the decrease of the average selling price of parking spaces and the increase of the proportion of the income from low gross profit margin of community retail business during the Reporting Period.

Other income and gains

During the Reporting Period, the Group's other income and gains amounted to RMB0.5 million, compared to RMB1.7 million for the corresponding period in 2025, mainly attributable to the decrease in government grants received in the Reporting Period.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB42.8 million, representing an increase of approximately 3.4% from RMB41.4 million for the corresponding period in 2025. This was mainly attributable to the increase in management expenses during the period due to the Group's acquisition of our subsidiary Chengdu Hongsheng Heding at the end of 2025.

Impairment losses on financial assets, net

The Group's impairment losses on financial assets, net primarily included the impairment allowance for trade receivables and other receivables in accordance with the accounting policy. During the Reporting Period, the Group's impairment losses on financial assets, net amounted to RMB58.9 million, as compared to RMB26.9 million for the corresponding period in 2025, which was mainly due to an increase in impairment allowance for amounts due from related parties during the Reporting Period, and an increase in the overall expected loss rate of trade receivables due to the lengthening of the ageing of certain receivables and the withdrawal from certain projects with operating losses, resulting in an increase in the allowance for impairment.

Profit before tax

During the Reporting Period, the Group's profit before tax amounted to RMB7.2 million, representing a decrease of approximately 83.7% from RMB44.3 million for the corresponding period in 2025.

Income tax expense

During the Reporting Period, the Group's income tax expense amounted to RMB4.8 million, representing a decrease of approximately 69.6% from RMB15.8 million for the corresponding period in 2025, which was mainly due to the increase in provision for the deferred income tax expense for the Reporting Period.

Liquidity, reserves and capital structure

The Group maintained a solid financial position during the Reporting Period. As at 30 June 2026, the current assets amounted to RMB1,383.1 million, representing a slight decrease as compared to RMB1,559.1 million as at 31 December 2025. The Group's cash and bank balances were mainly denominated in RMB and amounted to RMB304.5 million, representing a decrease of 26.6% from RMB415.0 million as at 31 December 2025. The gearing ratio (total liabilities divided by total assets) as at 30 June 2026 was 44.7%, representing a decrease of 5.2 percentage points from 49.9% as at 31 December 2025.

As at 30 June 2026, the Group's total equity amounted to RMB939.6 million, representing an increase of 0.3% from RMB937.1 million as at 31 December 2025, which was mainly due to the growth resulting from operating profit.

The Group actively reviews and manages its capital structure on a regular basis to maintain a balance between the relatively high returns to the owners of the Group and possible high level of borrowings and maintains the advantages and security of a sound capital position. The Group also makes adjustments to the capital structure in light of changes in economic conditions.

Trade receivables

The Group's trade receivables primarily include receivables from customers for property management services and community value-added services. As at 30 June 2026, the Group's trade receivables amounted to RMB299.4 million, representing an increase of approximately 2.8% from RMB291.2 million as at 31 December 2025, which was mainly due to a decrease in the overall collection rate of projects under management of the Group.

Prepayments, other receivables and other assets

The Group's prepayments, other receivables and other assets primarily consist of prepayments on behalf of customers to utility suppliers, consideration receivables from disposal of subsidiaries, other deposits, amounts due from third parties and other tax recoverable. As at 30 June 2026, the Group's prepayments, deposits and other receivables amounted to RMB165.2 million, representing a decrease of approximately 28.7% from RMB231.9 million as at 31 December 2025, primarily due to the decrease in prepayments on behalf of customers to utility suppliers of projects under management by the Group.

Trade payables

The Group's trade payables mainly comprise amounts due to subcontractors of property management services. As at 30 June 2026, the Group's trade payables amounted to RMB250.4 million, representing a decrease of approximately 19.9% from RMB312.5 million as at 31 December 2025, which was mainly due to the higher payments made to outsourcing suppliers by the Group during the first half of the year.

Contract liabilities

The Group's contract liabilities mainly represent the prepayments made by customers while our underlying services are yet to be provided. As at 30 June 2026, the Group's contract liabilities amounted to RMB277.3 million, remaining basically consistent with RMB281.4 million as at 31 December 2025.

Other payables and accruals

The Group's other payables and accruals primarily comprise payroll and welfare payable to our employees, receipts from community residents for utilities, business tax and surcharges, and other payables. As at 30 June 2026, the Group's other payables and accruals amounted to RMB134.3 million, representing a decrease of approximately 39.4% from RMB221.5 million as at 31 December 2025, which was mainly due to the decrease of payables on behalf of customers to utility suppliers paid by the Group.

Contingent liabilities

As at 30 June 2026, the Group did not have material contingent liabilities or guarantees.

OUTLOOK FOR THE SECOND HALF OF 2026

The property management industry has entered a period of deep restructuring in 2026. Regulatory policies continue to tighten, rigid costs are rising, market elimination is accelerating, and property owners' awareness of their rights is fully awakening. The traditional logic of scale-driven expansion is no longer effective, and value reconstruction has become the core pathway for enterprises to break through. The Group is aligned with four key restructuring directions of "capability determines the lower bound, sector determines the upper bound, role determines positioning, and relationships determine the foundation". It is focused on enhancing the quality of existing operations and achieving breakthroughs in new growth areas as its annual objectives. By implementing six targeted initiatives and steadily advancing three-dimensional investment assurance measures – deep cultivation, innovation, and breakthrough – the Group aims to drive high-quality, efficiency-oriented development.

I. Investment and Expansion Initiative: Enhancing Existing Stock Quality and Achieving Incremental Breakthroughs to Broaden Diversified Growth Sectors

Against the backdrop of intensified competition for existing stock in the industry, the Group continues to implement the three-dimensional investment assurance system of "deep cultivation, innovation, and breakthrough". On the existing stock side, the "Honglin Program (弘鄰計劃)" will be implemented, focusing on improving quality, scale, and timing. Leveraging existing projects, the Group will expand through community-based network effects and strengthen repeat business from key clients, building strong cooperation barriers through high-quality services. On the innovation side, the Group will focus on high-stability emerging sectors such as hospitals and schools, iterating service and labor models to create differentiated customer acquisition advantages. On the breakthrough side, the Group will enhance project feasibility studies and bidding presentation capabilities to improve bid-winning in new sectors such as public infrastructure and industrial parks. At the expansion level, diversified cooperation models will be explored, with continued investment in non-residential sectors such as commercial properties, hospitals, and schools. Specialized supporting companies – such as Yunda Mechatronics (運達機電), Hongsheng Community Services (弘昇便民), and new energy businesses – will be promoted toward independent and stable operations. By balancing business segments to hedge against residential market cycles, optimizing project reserves, and proactively exiting low-efficiency or loss-making projects, the Group aims to improve the quality of existing assets and achieve breakthroughs in high-quality incremental growth.

II. Revenue Generation Initiative: Collecting All Outstanding Receivables and Unlocking Profit Increments from Community Commercial Operations

In the second half of the year, with cash flow management as the core priority, the Group will work toward annual collection rate with a targeted action plan, systematically recovering historical arrears on a project-by-project and household-by-household basis, steadily improving both current collections and recovery of overdue payments. At the same time, the Group will further explore value-added services within communities, expanding into diversified business areas such as real estate brokerage, home improvement services, EV charging and car washing. These initiatives will drive steady growth in revenue and profit from value-added services. Efforts will also be accelerated to revitalize and dispose of underperforming assets, optimize the asset structure with a focus on cash flow security, and strengthen the foundation of operating cash flow and profitability.

III. Quality Enhancement Initiative: Strictly Adhering to Rigid Standards, Optimizing Service Order, and Increasing Quality Investments to Fortify Operational Foundations

The Group will uphold its core service philosophy of "quality first, customer foremost", fully implementing five major quality control mechanisms and twenty rigid service standards. Routine baseline inspections will be carried out throughout the year, with strict enforcement of management standards and standardized on-site service behavior. Adequate resources will be allocated to ensure project quality and strengthen service foundations. Benchmark projects will be developed as demonstration models, using exemplary cases to drive standardized service implementation across all projects. This will steadily enhance property owners' living experience, satisfaction, and brand reputation. High-quality service will also encourage proactive fee payments from property owners, forming a virtuous cycle where "quality drives collections and reputation expands business".

IV. Organizational Efficiency Initiative: Activating Endogenous Talent Momentum, Optimizing Costs, and Enhancing Supplier Quality and Efficiency

Organizational Talent Echelon Construction: The Group will establish a three-tier flattened organizational structure of "specialized headquarters, refined city-level operations, and collaborative project execution," reducing unnecessary layers and improving cross-functional efficiency. Continue to refine the three-tier talent echelon cultivation plan, implementing tiered training programs such as Redsun Housekeeper, Hongyang Elite, and Hongyang Master. Regular advanced training will be conducted for project managers and senior project leaders, continuously forging resilient and results-driven leaders of "Li Yunlong-style"; Retain core staff through talent revitalization, highlight benchmark individuals, and strengthen team cohesion through corporate culture, building a healthy and highly capable workforce and activating endogenous growth momentum.

V. Risk Control Initiative: Upholding the Bottom Line of Safe Operations, Achieving Zero Safety Accidents, and Ensuring Comprehensive Litigation Response

The Group will establish a full-process, front-loaded risk prevention system, pushing risk identification down to frontline projects and strengthening operational safety through multi-layered controls. Regular safety inspections and drills covering equipment maintenance, fire safety, and elevators will be conducted, striving for zero accidents throughout the year. Legal tools will be used proactively for early warning and intervention in arrears and dispute resolution, ensuring proper handling of all litigation cases. End-to-end supervision of fund security will be strengthened, strictly adhering to red lines for financial management and comprehensively mitigating compliance, financial, and safety risks.

VI. Digital and Smart-Driven Initiative: Closing Refinement Gaps through Data Governance and Unleashing Digital Intelligence Efficiency through Platform Implementation

The Group will accelerate its digital and intelligent transformation by enhancing systems such as AI-powered customer service, business forecasting assistants, and BI-driven operational early warning platforms. Full online coverage will be achieved across energy consumption, parking, and billing operations. Comprehensive data governance will be deepened to address gaps in refined operational data. Leveraging digital platforms for real-time data accumulation and analysis, the Group will transition from experience-driven to data-driven management. With digital tools, the Group will reduce labor costs, improve decision-making accuracy, and continuously unlock its digital operational efficiency.

In the second half of the year, the Group will closely align with industry transformation trends, fully implement the six key initiatives, and advance comprehensive value reconstruction across capabilities, sectors, roles, and relationships. By coordinating efforts across six dimensions – market expansion, revenue growth, quality control, organizational talent, risk management, and digital technology, the Group will continue to divest low-efficiency assets and focus on high-value sectors. With diversified business portfolios, refined operations, digital empowerment, and a strong talent pipeline, the Group aims to achieve steady improvements in both scale and quality, progressing toward its vision of becoming a respected service provider for better living and delivering long-term, stable value to shareholders.

CORPORATE GOVERNANCE/OTHER INFORMATION

1. Material Investments, Acquisitions and Disposals

There was no material investment, acquisition and disposal of subsidiaries, associates or joint ventures by the Group during the Reporting Period.

2. Employment and Remuneration Policies

As of 30 June 2026, the Group had 2,758 employees in total, of which 2,006 employees were engaged in property management and related services for residential properties and 735 employees were engaged in property management and related services for non-residential properties, and 17 employees were engaged in real estate business.

The emolument of the employees of the Group is mainly determined based on their duties, performance and the prevailing market level in the respective regions. The Group has formulated a systematic and market-competitive employee incentive plan and a comprehensive talent cultivation scheme based on its business to attract and retain talents through offering competitive salary packages, comprehensive talent training strategies, internal promotion system and a caring corporate culture.

In addition, focusing on the entire process of talent cultivation and development, the Group has also formulated systematic cultivation schemes for enhancing the quality of talents and broadening its pool of talents. The Group has designed three-tier talent team training projects, namely the "Brigadier Scheme (準將計劃)", "Hongyang Elite Scheme (弘精英計劃)", and "Hongyang Yao Scheme (弘耀計劃)" for the key talents which focused on individual development and practical courses, and assisted individuals in formulating development plans, which were conducted in conjunction with the "offline training + classes for the front line (線下集訓+送課去一線)" in an orderly manner. In addition, to enhance the service capability, operational capability, and innovation capability of the housekeepers, the Group has also launched the Hongqing Program (弘情計劃). Centered on the "Three-Qing (三情)" talent profile and the "Six Capabilities and One Sense (六力一感)" competency standards, the program focuses on key frontline roles in service delivery, operational support, and customer liaison. It is designed to build a dedicated Redsun Housekeeper service talent system, with "standardized service, professional capability, high-quality professionalism, and high-retention service" as its core, thereby reshaping service standards, improving service quality, and strengthening customer value. At the same time, the city companies also adopted "Hongyang Master", in which systematic arrangements are implemented to provide the employees of the Group with clear development path and secure the demand for talents in different business segments and on various levels.

The Group believes that talent cultivation scheme of the Group will enhance team building, improve team capability, and provide talent pipelines for the business development of the Group.

3. Events after the Reporting Period

There is no significant subsequent event undertaken by the Company after 30 June 2026.

4. Interim Dividend

The Board did not recommend payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

5. Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As of the end of the Reporting Period, no treasury shares were held by the Company.

6. Exposure to Foreign Exchange Risk

The Group primarily operates in the PRC and the majority of transactions were denominated and settled in RMB. The Group will continue to monitor foreign exchange activities and safeguard the cash value of the Group with its best efforts.

7. Compliance with the Corporate Governance Code

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its corporate governance standards.

During the Reporting Period, the Company was unable to fully comply with certain code provisions of the CG Code and certain requirements of the Listing Rules due to changes in the composition of the Board and Board committees. Following the appointment of the chairman of the Board, members of the Board committees and an Authorized Representative on 6 July 2026 after the Reporting Period, the Company has resumed compliance with the relevant code provisions of the CG Code and the relevant requirements under Rules 3.05, 3.21, 3.25 and 3.27A of the Listing Rules.

Save as disclosed above, the Company has complied with the applicable code provisions set out in Part 2 of the CG Code during the Reporting Period to the extent practicable, and the Directors will continue to use their best endeavors to ensure the Company's compliance with the CG Code.

8. The Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code for dealing in securities in the Company by the Directors.

The Directors have confirmed their compliance with the required standard set out in the Model Code during the Reporting Period.

9. Audit Committee and Review of Interim Results

The Board has established an audit committee (the "**Audit Committee**") with written terms of reference in accordance with the CG Code.

The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board. The Audit Committee consists of three members, namely Mr. Zhao Xianbo, Ms. Wang Fen and Mr. Li Xiaohang, three independent non-executive Directors. The Audit Committee is chaired by Mr. Zhao Xianbo, an independent non-executive Director who possesses appropriate professional accounting and related financial management expertise. The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended 30 June 2026 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

10. Publication of Interim Results and 2026 Interim Report on the Websites of the Stock Exchange and the Company

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rsunservice.hk). The interim report of the Company for the six months ended 30 June 2026 will be provided to the Company's shareholders and published on the above websites in due course.

By Order of the Board
Redsun Services Group Limited
JIA Hongbo
Chairman

Hong Kong, 25 August 2026

As at the date of this announcement, Mr. JIA Hongbo and Mr. CHEN Yichun are the executive Directors; and Ms. WANG Fen, Mr. LI Xiaohang, Mr. ZHAO Xianbo, Mr. TAI Shaw Hoong, and Ms. CHI Lai Man Jocelyn are the independent non-executive Directors.