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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

The Group achieved the following results for the year ended 31 December 2025:

1. The Group's revenue was RMB951.4 million, representing a decrease of 7.3% as compared with RMB1,026.7 million for the corresponding period in 2024.
2. The Group's revenue by business types is as follows:
 - revenue from property management services was RMB756.6 million, accounting for 79.5% of total revenue, representing a decrease of 8.0% as compared with RMB822.8 million for the corresponding period in 2024;
 - revenue from value-added services to non-property owners was RMB17.2 million, accounting for 1.8% of total revenue, representing a decrease of 59.7% as compared with RMB42.7 million for the corresponding period in 2024;
 - revenue from community value-added services was RMB176.7 million, accounting for 18.6% of total revenue, representing an increase of 9.6% as compared with RMB161.2 million for the corresponding period in 2024;
 - revenue from other services was RMB0.9 million, accounting for 0.1% of total revenue.

3. Gross profit was RMB209.8 million, representing an increase of 5.1% as compared with RMB199.6 million for the corresponding period in 2024. Gross profit margin was 22.1%, representing an increase of 2.7% as compared with 19.4% for the corresponding period in 2024.
4. Loss for the Reporting Period was RMB34.3 million, representing a decrease of 327.2% as compared with profit of RMB15.1 million for the corresponding period in 2024. Loss for the Reporting Period attributable to equity shareholders of the Company was RMB38.5 million, representing a decrease of 367.4% as compared with profit of RMB14.4 million for the corresponding period in 2024.
5. As at 31 December 2025, the Group had contracted GFA of approximately 47.5 million sq.m., which included 318 projects under management and GFA under management of approximately 43.7 million sq.m., representing a decrease of approximately 11.3% as compared with 31 December 2024.

STATEMENTS AND NOTES

The board (the “**Board**”) of directors (the “**Directors**”) of Redsun Services Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period of the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
REVENUE	<i>5</i>	951,437	1,026,678
Cost of services		<u>(741,621)</u>	<u>(827,118)</u>
Gross profit		209,816	199,560
Other income and gains and losses	<i>5</i>	819	7,174
Selling and distribution expenses		(1,120)	(869)
Administrative expenses		(84,983)	(104,313)
Impairment losses on property, plant and equipment, net		(27)	–
Impairment losses on goodwill, net		(19,002)	–
Impairment losses on other intangible assets, net		(186)	–
Impairment losses on financial assets, net		(161,923)	(62,495)
Other expenses		(1,619)	(915)
Finance costs		<u>(864)</u>	<u>(1,649)</u>
(LOSS)/PROFIT BEFORE TAX	<i>6</i>	(59,089)	36,493
Income tax credit/(expense)	<i>7</i>	<u>24,818</u>	<u>(21,362)</u>
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR		<u>(34,271)</u>	<u>15,131</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Year ended 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
(Loss)/profit for the year attributable to:			
Equity holders of the Company		(38,522)	14,386
Non-controlling interests		4,251	745
		(34,271)	15,131
Total comprehensive (expense)/income attributable to:			
Equity holders of the Company		(38,522)	14,386
Non-controlling interests		4,251	745
		(34,271)	15,131
(LOSS)/EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	9	<u>RMB(9.28) cents</u>	<u>RMB3.47 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		2025	2024
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		26,345	25,333
Right-of-use assets		–	–
Goodwill		156,048	175,050
Other intangible assets		43,073	57,725
Deferred tax assets		86,438	25,013
Total non-current assets		311,904	283,121
CURRENT ASSETS			
Inventories	10	367,401	268
Trade receivables	11	291,248	289,936
Prepayments, other receivables and other assets	12	231,901	133,010
Amounts due from related companies		253,616	391,412
Cash and bank balances		414,951	560,574
Total current assets		1,559,117	1,375,200
CURRENT LIABILITIES			
Trade payables	13	312,526	183,776
Other payables and accruals	14	221,479	177,671
Contract liabilities		281,372	258,594
Interest-bearing bank borrowing		17,259	13,831
Lease liabilities		–	–
Tax payable		82,497	85,136
Total current liabilities		915,133	719,008
NET CURRENT ASSETS		643,984	656,192
TOTAL ASSETS LESS CURRENT LIABILITIES		955,888	939,313

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowing		–	17,235
Deferred tax liabilities		<u>18,768</u>	<u>13,000</u>
Total non-current liabilities		<u>18,768</u>	<u>30,235</u>
Net assets		<u>937,120</u>	<u>909,078</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	3,764	3,764
Reserves		<u>854,933</u>	<u>894,294</u>
		858,697	898,058
Non-controlling interests		<u>78,423</u>	<u>11,020</u>
Total equity		<u>937,120</u>	<u>909,078</u>

NOTES TO FINANCIAL STATEMENTS

1. GENERAL 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 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 year, 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. During the Reporting Period, the Board was informed that, a pledgee has purportedly taken action to enforce the security interest over certain pledged shares, and appointed Wong Wing Sze Tiffany and Edward Simon Middleton as the joint and several receivers and managers over such pledged shares. The Board notes that the aforementioned matter is not expected to have any material impact on the Group’s ordinary course of business activities and operational management. Mr. Zeng Huansha remains as the actual controller of the Company. 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 the section headed “3. ENFORCEMENT OF PLEDGED SHARES AND APPOINTMENT OF RECEIVERS” in this announcement.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“**IASB**”), the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (“**Listing Rules**”). For the purpose of preparation of the consolidated financial statement, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The consolidated financial statements have been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is functional currency of the Company.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRS ACCOUNTING STANDARDS**”)

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to IFRS Accounting Standards 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.

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ³

¹ No mandatory effective date yet determined but available for adoption

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

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

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 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 the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

The executive Directors of the Company, being the chief operating decision maker, monitor 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 customer 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 for the years ended 31 December 2025 and 2024.

5. REVENUE, OTHER INCOME AND GAINS AND LOSSES

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers		
Property management services	756,598	822,738
Value-added services to non-property owners	17,198	42,697
Community value-added services	176,733	161,243
Other services	908	–
	<u>951,437</u>	<u>1,026,678</u>
Total	<u>951,437</u>	<u>1,026,678</u>

Revenue from contracts with customers

a) *Disaggregated revenue information*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from customers and recognised over time		
Property management services	756,598	822,738
Value-added services to non-property owners	<u>13,533</u>	<u>35,345</u>
	<u>770,131</u>	<u>858,083</u>
Revenue from customers and recognised at a point in time		
Value-added services to non-property owners	3,665	7,352
Community value-added services	176,733	161,243
Other services	<u>908</u>	<u>–</u>
	<u>181,306</u>	<u>168,595</u>

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Property management services

The Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient to not to disclose the remaining performance obligations for these types of contracts. The majority of the property management services contracts do not have a fixed term.

Value-added services to non-property owners

Value-added services to non-property owners mainly include sales assistance services, pre-delivery and consulting services. The term of the contracts for sales assistance is generally set to expire when the counterparties notify the Group that the services are no longer required. Pre-delivery and consulting services are rendered in a short period of time and there were no unsatisfied performance obligations at the end of the respective periods.

Community value-added services

For the community value-added services, the Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value of customers of the Group's performance to date on a monthly or quarterly basis. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Other services

Other services primarily include asset operation services, which primarily include sales and marketing service for new homes and parking spaces. The Group are recognised as revenue when the related performance obligation is satisfied, which occurs at the point in time when control of the unit is transferred to the customer. Control is generally considered to be transferred upon completion of the unit and its corresponding handover to the customer.

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

When either party to a contract has performed, the Group presents the contract in the statements of financial position as a contract liability, depending on the relationship between the Group's performance and the customer's payment.

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

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other income and gains and losses		
Government grants*	1,645	3,860
Loss on disposal of a subsidiary	(1,702)	(48)
Interest income	1,346	2,311
Foreign exchange difference, net	(470)	(110)
Loss on disposal of property, plant and equipment	(68)	(242)
Gain on lease modification	–	1,390
Others	68	13
	<hr/>	<hr/>
Total other income and gains and losses	<u>819</u>	<u>7,174</u>

* Government grants represented unconditional cash payments granted by government authorities.

6. (LOSS)/PROFIT BEFORE TAX

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

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Cost of services		741,621	827,118
Depreciation of property, plant and equipment		9,590	7,314
Depreciation of right-of-use assets		–	1,258
Amortisation of other intangible assets		16,672	16,039
Loss on disposal of property, plant and equipment		68	242
Loss on disposal of a subsidiary		1,702	48
Foreign exchange difference, net		470	110
Impairment losses on property, plant and equipment*		27	–
Impairment losses on goodwill*		19,002	–
Impairment losses on other intangible assets*		186	–
Impairment losses on trade receivables**	<i>11</i>	42,405	2,727
Impairment losses on financial assets included in prepayments, deposits and other receivables**	<i>12</i>	7,803	357
Impairment losses on amounts due from related companies**		111,715	59,411
Write-down of inventories		–	5,200
Auditor's remuneration		810	810
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		249,362	271,759
Pension scheme contributions and social welfare		42,907	47,233

* The impairment losses recognised during the year on property, plant and equipment, goodwill and other intangible assets relate to the cash generating unit of Chuzhou Yurun Property Management Co., Ltd. and its wholly-owned subsidiaries (collectively referred to as “**Chuzhou Yurun**”). As at 31 December 2025 and 2024, before impairment, goodwill allocated to the cash generating units of Chuzhou Yurun and Huidehang Jingying Property Management Co., Ltd. and its wholly-owned subsidiaries (collectively referred to as “**Huidehang**”) amounted to RMB19,002,000 and RMB156,048,000 respectively. Following the impairment, the carrying amount of goodwill for Chuzhou Yurun decreased to NIL, while the goodwill allocated to the cash generating unit of Huidehang remained unchanged as no impairment was recognised for that unit.

** Net impairment losses on financial assets represent impairment losses recognised on trade receivables, other receivables and amounts due from related parties, with the significant increase during the year mainly attributable to the prolonged ageing of certain receivables and the impact of terminated projects.

7. INCOME TAX (EXPENSE)/CREDIT

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 arising in Hong Kong for the both years.

Subsidiaries of the Group operating in Mainland China are generally subject to the PRC Enterprise Income Tax at a rate of 25% for the year ended 31 December 2025 and 2024, 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 both years.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax	19,666	32,027
Deferred tax	<u>(44,484)</u>	<u>(10,665)</u>
Total tax (credit)/expense for the year	<u><u>(24,818)</u></u>	<u><u>21,362</u></u>

8. DIVIDENDS

No dividends have been paid or declared by the Company during the year ended 31 December 2025 (For the year ended 31 December 2024: Nil).

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years.

	2025	2024
(Loss)/profit attributable to equity holders of the Company during the years (<i>RMB'000</i>)	(38,522)	14,386
Weighted average number of ordinary shares in issue	415,000,000	415,000,000
Basic (loss)/earnings per share (<i>RMB cents</i>)	<u><u>(9.28)</u></u>	<u><u>3.47</u></u>

(b) Diluted

The Company did not have any potential dilutive shares outstanding during the years ended 31 December 2025 and 2024. Accordingly, diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share.

10. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Completed properties held for sale	371,912	5,200
Consumables	<u>689</u>	<u>268</u>
	372,601	5,468
Less: Write-down of inventories	<u>(5,200)</u>	<u>(5,200)</u>
Total	<u><u>367,401</u></u>	<u><u>268</u></u>

11. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	353,453	309,736
Impairment	<u>(62,205)</u>	<u>(19,800)</u>
Net carrying amount	<u><u>291,248</u></u>	<u><u>289,936</u></u>

Trade receivables mainly arise from property management services income. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and credit limits attributed to customers are reviewed once a month. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	112,832	186,521
1 to 2 years	144,494	71,535
2 to 3 years	19,367	25,855
Over 3 years	<u>14,555</u>	<u>6,025</u>
Total	<u><u>291,248</u></u>	<u><u>289,936</u></u>

The movements in provision for the loss allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	19,800	17,196
Disposal of a subsidiary	–	(123)
Impairment losses recognised (<i>Note 6</i>)	<u>42,405</u>	<u>2,727</u>
At the end of the year	<u><u>62,205</u></u>	<u><u>19,800</u></u>

An impairment analysis was performed at each reporting date 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. Generally, trade receivables were written off if their ageing was more than three years and were not subject to enforcement activity.

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

As at 31 December 2025

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

As at 31 December 2024

	Past due				Total
	Current	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	2.95%	7.52%	15.32%	37.70%	6.39%
Gross carrying amount (<i>RMB'000</i>)	192,183	77,351	30,531	9,671	309,736
Expected credit losses (<i>RMB'000</i>)	<u>5,662</u>	<u>5,816</u>	<u>4,676</u>	<u>3,646</u>	<u>19,800</u>

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments on behalf of customers to utility suppliers	68,865	46,116
Prepayments for construction costs	43,946	–
Consideration receivables from disposal of subsidiaries	30,182	32,784
Other deposits	48,995	28,127
Others	<u>50,989</u>	<u>29,256</u>
	242,977	136,283
Impairment	<u>(11,076)</u>	<u>(3,273)</u>
Total	<u><u>231,901</u></u>	<u><u>133,010</u></u>

Other deposits mainly represent deposits with suppliers.

The movements in the loss allowance for impairment of other receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	3,273	2,949
Disposal of a subsidiary	–	(33)
Impairment losses recognised (<i>Note 6</i>)	<u>7,803</u>	<u>357</u>
At the end of the year	<u><u>11,076</u></u>	<u><u>3,273</u></u>

13. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	186,120	179,903
Over 1 year	<u>126,406</u>	<u>3,873</u>
Total	<u><u>312,526</u></u>	<u><u>183,776</u></u>

14. OTHER PAYABLES AND ACCRUALS

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Receipts on behalf of community residents for utilities	58,569	49,849
Deposits received	68,072	65,979
Other tax payable	51,619	27,795
Payroll and welfare payable	27,375	22,138
Dividend payable	1,780	–
Others	14,064	11,910
	<hr/>	<hr/>
Total	221,479	177,671
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15. SHARE CAPITAL**Shares**

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Issued and fully paid:		
415,000,000 (2024: 415,000,000) ordinary shares of HK\$0.01 each (2024: HK\$0.01 each)	3,764	3,764
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MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW FOR 2025

In 2025, the property management industry entered a critical stage of intensive development within a stock-driven market, with further intensification of industry differentiation. On the one hand, policies relating to urban renewal, renovation of aged residential communities and city services continued to unlock real benefits driving rapid growth in value-added service segments. On the other hand, the industry shifted from a focus on “scale expansion” to “value enhancement” as a whole, with enterprises placing greater emphasis on service quality optimisation, enhancement of customer loyalty and digital empowerment, thereby achieving simultaneous improvement in quality and efficiency amid a slowdown in industry growth.

In terms of strategic deployment, the Group continued to deepen its core strategy of “penetrating the Greater Jiangsu Region (做透大江蘇)” in 2025, strengthening its service network in Suzhou, Wuxi, Changzhou and other cities with Nanjing as the core, and reinforcing its regional leading strength through revitalisation of existing projects and expansion of city service scenarios. Meanwhile, the Group accelerated its cross-regional strategy of “expanding into core cities (做強中心城)”, increasing resource investment in strong second-tier cities in central and western China such as Hefei, Wuhan and Chengdu while consolidating its presence in core Yangtze River Delta cities. Through mergers and acquisitions as well as strategic cooperation, the Group expanded into new segments including commercial property and industrial park services, thereby building a more resilient nationwide business footprint.

Leveraging its sound operating quality and efficiency, innovative service models and outstanding brand influence, the Group received multiple authoritative industry awards in 2025, including “Top 100 China Property Service Enterprises in 2025 (2025中國物業服務百強企業)”, “Top 100 China Property Service Enterprises – Satisfaction Leadership in 2025 (2025中國物業服務百強滿意度領先企業)”, “Outstanding China Red Property Service Enterprise in 2025 (2025中國紅色物業服務優秀企業)”, and was recognised as a “Leading Brand in Property Service Quality in China in 2025”. The Group’s comprehensive strength and brand reputation continued to lead the industry.

The Group’s business covers a wide range of property types, including residential properties and non-residential properties such as commercial properties, schools and public construction, as well as other specialised high-quality consulting services, achieving balanced development through residential – commercial synergy. As at 31 December 2025, the Group had presences in 43 cities nationwide, with 318 projects under management. The contracted GFA amounted to 47.5 million sq.m., representing a decrease of 12.4% compared with 2024, while the total GFA under management was 43.7 million sq.m., representing a decrease of 11.3% compared with 2024.

During the Reporting Period, due to adverse factors such as the overall downturn in the upstream real estate industry, the Group achieved revenue of RMB951.4 million, representing a decrease of 7.3% compared with the corresponding period in 2024; gross profit of RMB209.8 million, representing an increase of 5.1% compared with the corresponding period in 2024; and net loss of RMB34.3 million, representing a decrease of 327.2% compared with the corresponding period in 2024.

BUSINESS REVIEW

Our Business Model

We adhere to the strategic layout of “fully penetrating Greater Jiangsu Region, strengthening foothold in the Yangtze River Delta and expanding into core cities (做透大江蘇，深耕長三角，做強中心城)”, and, guided by a “customer-centered” service philosophy, continues to deepen the Redsun Mode. We are committed to providing warm and high-quality services to property owners, continuously intensifying its presence in key cities through refined and in-depth operations to effectively optimise 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 comprehensive property management services to property owners, residents and tenants, including order maintenance, cleaning, landscaping, facilities management, customer services and repair and maintenance services. The properties under management cover a broad range of types, including residential, commercial and other types of properties. The scope of services for non-residential properties continues to expand, covering not only commercial properties such as shopping malls, operators’ service halls, and hotels, but also extending to diversified property scenarios such as office buildings, industrial parks and schools.

Value-added Services for 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 maintenance; and (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 owners and residents of residential properties with the aim of enhancing their living experience and supporting property value preservation and appreciation. Such services mainly comprise eight categories: (i) property brokerage services; (ii) property decoration services; (iii) community 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 homes 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 in 2024:

	As of 31 December 2025		As of 31 December 2024	
	Revenue (RMB'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)
Property management services	756,598	79.5	822,738	80.1
Value-added services to non-property owners	17,198	1.8	42,697	4.2
Community value-added services	176,733	18.6	161,243	15.7
Other services	908	0.1	—	—
Total	<u>951,437</u>	<u>100.0</u>	<u>1,026,678</u>	<u>100.0</u>

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 in 2024:

	As of 31 December 2025			As of 31 December 2024		
	Revenue (RMB'000)	Number of projects	GFA under management ('000 sq.m.)	Revenue (RMB'000)	Number of projects	GFA under management ('000 sq.m.)
Redsun Properties Group ⁽¹⁾	425,812	148	22,842.9	438,324	117	19,234.6
Third-party property developers	330,786	170	20,866.7	358,052	203	28,994.2
Third party developers ⁽²⁾	267,794	109	12,978.5	296,943	151	21,248.6
Joint ventures and associates of Redsun Properties Group ⁽³⁾	62,992	61	7,888.2	61,109	52	7,745.6
Other associates of our Controlling Shareholders ⁽⁴⁾	—	—	—	26,362	2	1,031.6
Total	<u>756,598</u>	<u>318</u>	<u>43,709.6</u>	<u>822,738</u>	<u>322</u>	<u>49,260.4</u>

Notes:

- (1) Includes projects solely developed by Redsun Properties Group Limited (the shares of which are listed on The Stock Exchange of Hong Kong Limited (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.
- (4) Includes properties owned by Jiangsu Redsun Industrial Raw Materials City Co., Ltd. (“**Redsun Materials City**”) together with its subsidiaries, which are associates of our controlling shareholders. Redsun Materials City is owned as to 99% by Mr. Zeng Huansha, the founder and controlling shareholder of the Group (“**Mr. Zeng**”).

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 in 2024:

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.

	As of 31 December 2025			As of 31 December 2024		
	Revenue (RMB’000)	Number of projects	GFA under management (’000 sq.m.)	Revenue (RMB’000)	Number of projects	GFA under management (’000 sq.m.)
Residential properties	636,633	251	39,758.9	729,633	258	44,165.5
Non-residential properties	119,965	67	3,950.7	93,105	64	5,094.9
Total	<u>756,598</u>	<u>318</u>	<u>43,709.6</u>	<u>822,738</u>	<u>322</u>	<u>49,260.4</u>

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 in 2024:

Since the inception of the Group, we have expanded our geographic presence from Nanjing to 43 cities in China as of 31 December 2025.

	As of 31 December 2025			As of 31 December 2024		
	Revenue (RMB'000)	Number of projects	GFA under management ('000 sq.m.)	Revenue (RMB'000)	Number of projects	GFA under management ('000 sq.m.)
Nanjing	213,360	97	12,814.9	289,496	96	14,429.00
Jiangsu (excluding Nanjing)	186,701	84	12,895.5	181,969	79	15,525.00
Shanghai	8,978	1	601.0	15,849	1	601
Anhui	83,713	35	6,355.5	98,935	42	7,224.50
Shandong	3,458	2	161.8	5,329	3	264
Hunan	15,614	9	980.4	12,493	8	1,147.50
Hebei	-	-	-	861	1	51.9
Henan	4,235	2	242.7	5,996	2	312.5
Zhejiang	25,219	7	895.9	25,748	13	1,635.00
Hubei	130,291	47	5,119.0	118,890	35	4,409.50
Chongqing	23,342	8	1,143.5	21,989	8	1,101.50
Jiangxi	7,880	3	280.4	5,966	4	601.1
Guangdong	13,669	6	687.7	11,924	5	454.5
Sichuan	37,457	16	1,445.1	24,617	17	1,777.10
Shaanxi	2,681	1	86.4	2,676	8	86.3
Total	<u>756,598</u>	<u>318</u>	<u>43,709.6</u>	<u>822,738</u>	<u>322</u>	<u>49,260.40</u>

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to RMB951.4 million, representing a decrease of 7.3% from RMB1,026.7 million for the corresponding period in 2024. The decrease was mainly attributable to the decrease in the Group's revenue from providing property management services and value-added services to non-property owners.

Property management services

During the Reporting Period, the Group's revenue from providing property management services amounted to RMB756.6 million, representing a decrease of 8.0% from RMB822.7 million for the corresponding period in 2024. This was mainly attributable to the decrease in revenue from services as a result of the Group's withdrawal from certain projects with operating losses and commercial property management projects.

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 RMB17.2 million, representing a decrease of 59.7% from RMB42.7 million for the corresponding period in 2024. The decrease in revenue from value-added services to non-property owners was mainly attributable to the decrease of sales venue projects caused by the real estate projects being delivered one after another.

Community value-added services

During the Reporting Period, the Group's revenue from community value-added services amounted to RMB176.7 million, representing an increase of 9.6% from RMB161.2 million for the corresponding period in 2024. 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 sales and services

During the Reporting Period, the Group's cost of sales and services amounted to RMB741.6 million, representing a decrease of approximately 10.3% from RMB827.1 million for the corresponding period in 2024. This was mainly attributable to the Group's improved project management, which led to decrease in project energy consumption costs and outsourcing costs.

Gross profit

As a result of the aforementioned key factors, the Group's gross profit increased by approximately 5.1% from RMB199.6 million for the year ended 31 December 2024 to RMB209.8 million for the year ended 31 December 2025. The increase was mainly attributable to a decrease in the cost of property management services.

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

	For the year ended 31 December	
	2025	2024
Property management services	20.4%	17.8%
Value-added services to non-property owners	10.3%	10.9%
Community value-added services	30.0%	30.3%
Other services	38.0%	—
Total	<u>22.1%</u>	<u>19.4%</u>

During the Reporting Period, the Group's gross profit margin was 22.1%, representing an increase of 2.7% from 19.4% for the corresponding period in 2024. This was mainly attributable to the withdrawal from certain projects with operating losses and decrease in project energy consumption costs and outsourcing costs.

The gross profit margin of property management services was 20.4%, representing an increase of 2.6% from 17.8% for the corresponding period in 2024. This was mainly attributable to the withdrawal from certain projects with operating losses and decrease in project energy consumption costs and outsourcing costs.

The gross profit margin of value-added services to non-property owners was 10.3%, representing a decrease of 0.6% from 10.9% for the corresponding period in 2024. This was mainly attributable to the decrease in the gross profit margin 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 services was 30.0%, representing a decrease of 0.3% from 30.3% for the corresponding period in 2024. This was mainly attributable to a decrease in the average selling price of parking spaces and an increase in the revenue contribution from lower-margin community retail business during the Reporting Period.

Other income and gains and losses

During the Reporting Period, the Group's other income and other net income amounted to RMB0.8 million, as compared to RMB7.2 million for the corresponding period in 2024, mainly attributable to an increase in losses arising from the disposal of subsidiaries in the Reporting Period.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB85.0 million, representing a decrease of approximately 18.5% from RMB104.3 million for the corresponding period in 2024. This was mainly attributable to the Group's upgrade of its management system, which resulted in a reduction in headcount.

Net impairment losses on financial assets

The Group's net impairment losses on financial assets primarily include the impairment allowance for trade receivables and other receivables in accordance with the accounting policy. During the Reporting Period, the Group's net impairment losses on financial assets amounted to RMB161.9 million, as compared to RMB62.5 million for the corresponding period in 2024, which was mainly attributable to an increase in impairment allowance for amounts due from related parties during the 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.

Loss before income tax expense

During the Reporting Period, the Group's loss before income tax expense amounted to RMB59.1 million, representing a decrease of approximately 261.9% from profit of RMB36.5 million for the corresponding period in 2024, which was mainly due to a significant increase in the impairment allowance for financial assets during the period.

Liquidity, reserves and capital structure

The Group maintained a solid financial position during the Reporting Period. As at 31 December 2025, the current assets amounted to RMB1,559.1 million, representing an increase of 13.4% as compared to RMB1,375.2 million as at 31 December 2024. The Group's cash and cash equivalents were mainly denominated in RMB and amounted to RMB415.0 million as at 31 December 2025, representing a decrease of 26.0% from RMB560.6 million as at 31 December 2024. The current ratio (current assets divided by current liabilities) of the Group as at 31 December 2025 was 1.70, representing a decrease from 1.91 as at 31 December 2024. The gearing ratio (total liabilities divided by total assets) as at 31 December 2025 was 49.9%, representing an increase of 4.7% from 45.2% as at 31 December 2024.

As at 31 December 2025, the Group's total equity amounted to RMB937.1 million, representing an increase of 3.1% from RMB909.1 million as at 31 December 2024, which was mainly due to an increase in non-controlling interests arising from the acquisition of subsidiaries.

As at 31 December 2025, the Group's interest-bearing bank borrowings amounted to RMB17.3 million, representing a decrease of 44.4% as compared to RMB31.1 million as at 31 December 2024.

The Group's total borrowings were repayable as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Bank loans repayable:		
Within one year or on demand	17,259	13,831
In the second year	<u>–</u>	<u>17,235</u>
Total	<u>17,259</u>	<u>31,066</u>

The Group's bank loans are secured by mortgages over 80% equity of Wuhan Huidehang Jingying Property Management Co., Ltd. (an indirectly non-wholly owned subsidiary of the Company) and guaranteed by Nanjing Hong Yang Property Management Co., Ltd. (an indirectly wholly-owned subsidiary of the Company).

As at 31 December 2025, all of the Group's bank borrowings bear interest at fixed interest rates.

The Group actively reviews and manages its capital structure on a regular basis to maintain a balance between the relatively high returns to the equity holders 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.

Goodwill

The Group's goodwill mainly arises from the acquisitions of its subsidiaries, namely Chuzhou Yurun and Huidehang. As at 31 December 2025, the Group's goodwill amounted to RMB156.0 million, representing a decrease of approximately 10.9% as compared to RMB175.1 million as at 31 December 2024, which was mainly attributable to the recognition of an impairment loss on goodwill during the year based on the recoverable amount of the cash generating unit of Chuzhou Yurun.

Inventories

The Group's inventories primarily comprise completed properties such as parking space assets and properties held for sale. The Group's inventories as at 31 December 2025 amounted to RMB367.4 million, representing a significant increase from RMB0.3 million as at 31 December 2024, which was mainly attributable to the purchase of certain parking space assets from Redsun Properties Group and the acquisition of certain completed properties such as properties held for sale and parking spaces from our subsidiary Chengdu Hongsheng Heding during the year.

Trade receivables

The Group's trade receivables primarily include receivables from customers for property management services and community value-added services. As at 31 December 2025, the Group's trade receivables amounted to RMB291.2 million, representing an increase of approximately 0.5% from RMB289.9 million as at 31 December 2024, 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, other deposits, amounts due from third parties and other tax recoverable. As at 31 December 2025, the Group's prepayments, deposits and other receivables amounted to RMB231.9 million, representing an increase of 74.3% from RMB133.0 million as at 31 December 2024, primarily due to the increase in prepayments on behalf of customers to utility suppliers in respect of projects under management and an increase in prepayments for construction costs and other receivables resulting from the acquisition of subsidiaries during the Reporting Period.

Trade payables

The Group's trade payables mainly comprise amounts due to subcontractors of property management services. As at 31 December 2025, the Group's trade payables amounted to RMB312.5 million, representing an increase of approximately 70.1% from RMB183.8 million as at 31 December 2024, which was mainly due to an increase in amounts payable to suppliers as a result of the acquisition of subsidiaries.

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 31 December 2025, the Group's contract liabilities amounted to RMB281.4 million, representing an increase of approximately 8.8% from RMB258.6 million as at 31 December 2024, which was mainly due to the Group's strengthened management of advance collections of property management fees for projects under management at year-end.

Other payables and accruals

The Group's other payables and accruals primarily comprise payroll and welfare payable to our employees, receipts on behalf of community residents for utilities, business tax and surcharges, and other payables. As at 31 December 2025, the Group's other payables and accruals amounted to RMB221.5 million, representing an increase of approximately 24.7% from RMB177.7 million as at 31 December 2024, which was mainly due to an increase in taxes payable arising from the acquisition of subsidiaries, as well as an increase in amounts collected on behalf of community residents for utilities in respect of projects under management.

Contingent liabilities

As at 31 December 2025, the Group did not have material contingent liabilities or guarantees.

OUTLOOK

In 2026, on the basis of consolidating its core competitive segments, the Group will actively explore emerging business scenarios and further deepen its development logic of "intensive development of strengths and expansion of boundary". The Group will dynamically balance incremental business expansion and in-depth cultivation of existing businesses, strengthening the underlying support for healthy business development from the perspectives of organisational capabilities and process mechanisms, thereby driving more resilient and higher-quality sustainable growth in both business scale and profitability.

Investment-leading Strategy. The Group has always been committed to the development strategy of “penetrating the Greater Jiangsu Region and strengthening foothold in the Yangtze River Delta Region (做透大江蘇，深耕長三角)”, focusing on the targeted development of other central cities with advantages, seeking new opportunities and new paths in development, constantly expanding the market and gaining customer trust. Through precise external expansion, diversified internal incubation and technological empowerment, the Group aims to achieve quality-driven scale growth and continuous enhancement of its comprehensive service capabilities.

With residential properties as its foundational business, the Company will capture structural growth opportunities from emerging businesses such as commercial and office properties, industrial parks and city services, and actively build a diversified and synergistic full-spectrum service system. By increasing project density and collaborative efficiency within regions, strengthening economies of scale, enhancing operational quality and optimising costs, the Group will deepen customer stickiness and increase value per customer.

Finance-driven Operation. The Group will, on the one hand, create new sources of income and cut down on expenses, and, on the other hand, focus on risk prevention and control. In terms of creating new sources of income and cutting down on expenses, we will promote the stable and increasing income of principal businesses while diversifying the operation of community businesses. We will focus on the customer’s living service scene to meet the needs and create demands, and help customers develop consumption habits, lead customers to form new consumption concepts so as to create greater value in the change of concepts. In terms of risk prevention and control, our governance combines rules of law and rules of morals. With the sword of law hanging high, our employees will be awed and know the bottom line. Moral education will be conducted regularly, so that employees are aware of honor and shame with high morality. By taking corporate culture as an effective way to guide employees to practice corporate values, we protect employees’ passion for work to create better value for the Company.

Enhancing Operational Quality and Efficiency: The Group consistently regards operational capability as the core pillar of sustainable development. In response to rising cost pressures and intensified competition in the industry, the Group will build a full-chain quality and efficiency enhancement system guided by “governance optimisation, efficiency improvement and scientific decision-making”, injecting endogenous momentum into high-quality development.

Upgrading Service Systems and Quality Control: Aligned with changes in the market environment and iterations in business structure, the Group will continue to optimise its service systems, quality standards and institutional frameworks, and establish a full-cycle quality control system suited to industry development and customer needs. Through standardised service processes and dynamic quality supervision mechanisms, the Group will achieve sustained improvements in service quality, embedding the principle of “value for money” across all service scenarios and consolidating customer trust.

Talent Empowerment and Team Efficiency Enhancement: The Group will deepen its specialised training systems of “Hong Elite”, “Redsun Housekeeper” and “Hong Master”, focusing on the capability development of three core talent categories, namely management, service and technical personnel. Through scenario-based training, skills competitions and benchmarking empowerment, the Group will comprehensively enhance professional competence and service capabilities. We will drive the optimization of single-project profitability through talent efficiency enhancement, and forming a virtuous cycle of “role – talent alignment and efficiency multiplication”.

Efficiency Improvement through End-to-end Refined Management: The Group will implement systematic optimisation across core operational modules, rolling out targeted efficiency enhancement initiatives. On the resource management front, the Group will optimise parking system operations, strengthen the refined management of energy consumption and standardise procurement and tendering processes to maximise resource utilisation efficiency; On the organisational management front, the Group will streamline staffing structures, clarify responsibilities and authorities, and enhance organisational collaboration efficiency; On the process management front, the Group will promote business refinement, process streamlining and clear accountability to reduce redundancy and internal operational friction.

Technological Empowerment and Operational Model Innovation: Leveraging digital and intelligent transformation as a key driver, the Group will achieve a qualitative leap in operational efficiency. By replacing traditional manual management with smart systems, upgrading traditional operating models through mechanised equipment, and breaking down information silos via digital platforms, the Group will realise “intelligent management, mechanised efficiency enhancement and online collaboration”. Relying on digital intelligence technologies to enable real-time accumulation and analysis of operational data and provide scientific support for decision-making, the Group will shift from “experience-driven” to “data-driven” operations, and comprehensively enhancing overall profitability and risk resilience.

Organisational Development with Strategy

Strategy serves as the core guide for an enterprise’s steady and long-term development. In 2026, the Group will continue to deepen its flat organisational structure, and upgrade towards greater agility on the basis of streamlined efficiency. The Group will reinforce its talent deployment philosophy of “lean headquarters, strong regions and high-quality projects”, deepen dynamic matching mechanisms, enhance cross-functional collaboration and versatility, continue to cultivate four key talent categories, namely, “Hong Elite”, “Redsun Housekeeper”, “Hong Master” and “Hong Guardian”, and establish a systematic talent empowerment and development pathway. Meanwhile, the Group will further stimulate innovation, build an organisational collaboration model of “small front-end, strong back-end and shared ecosystem”, making innovation the core engine for driving continuous organisational evolution, vitality and execution capability.

Culture Safeguarding Healthy Development and Universal Care

The Group remains committed to its core values of “people-oriented business and integrity for long-term success”, regarding corporate culture development as a key foundation for cultivating competitiveness. Upholding the principle of “being talent-oriented, fighter-oriented and contributor-oriented”, the Group will upgrade its “Hong Elite”, “Redsun Housekeeper” and “Hong Master” training systems, adding modules such as “benchmarking best practices” and “in-depth interpretation of cultural values”, and integrating concepts such as “health, hard work, humanistic love and practicality” into skills assessment and performance evaluation. The Group will establish organisational communication mechanisms for “coordination and facing problems”, translating cultural philosophy into employees’ conscious actions through monthly quality review meetings and cross-departmental collaborative project teams. By uniting teams through culture and driving execution through consensus, corporate culture will become a core support for service quality enhancement and brand value accumulation. Looking ahead, the Group will remain oriented towards the industry’s high-quality development, continuously refining itself through benchmarking and breaking through via innovation. With solid service capabilities to build trust, strong operational capabilities to achieve value growth, and distinctive brand strength to unite development consensus, the Group will steadfastly advance towards its vision of becoming “a respected service operator for a better life”, achieving value symbiosis with customers, employees and society.

CORPORATE GOVERNANCE/OTHER INFORMATION

1. Material Investments, Acquisitions and Disposals

On 17 February 2025, the Company and Redsun Properties Group entered into a parking spaces transfer framework agreement, pursuant to which the Company conditionally agreed to purchase and Redsun Properties Group conditionally agreed to sell the property right or the right of use (as the case may be) of the target parking spaces at a total consideration of approximately RMB230.92 million, subject to the terms and conditions of the Agreement.

On the same day, Nanjing Hong Life Real Estate Consulting Co., Ltd. (an indirect wholly-owned subsidiary of the Company) and each of Chengdu Hong Yang Jin Xing Real Estate Development Co., Ltd., Xuzhou HongQi Real Estate Development Co., Ltd. and Nanjing Hong Tai Pu Yang Property Co., Ltd. (all being indirect wholly-owned subsidiaries of Redsun Properties Group) entered into the respective equity transfer agreements, pursuant to which Nanjing Hong Life Real Estate Consulting Co., Ltd. conditionally agreed to purchase, and each of Chengdu Hong Yang Jin Xing Real Estate Development Co., Ltd., Xuzhou HongQi Real Estate Development Co., Ltd. and Nanjing Hong Tai Pu Yang Property Co., Ltd. conditionally agreed to sell (a) 70% of the equity interests in the Chengdu Hong Sheng He Ding Real Estate Development Co., Ltd. held by Chengdu Hong Yang Jin Xing Real Estate Development Co., Ltd.; (b) 20% of the equity interests in the Suqian Tong Jin Hong Real Estate Co., Ltd. held by Xuzhou HongQi Real Estate Development Co., Ltd.; and (c) 19% of the equity interests in Jurong Jin Jia Run Real Estate Development Co., Ltd. held by Nanjing Hong Tai Pu Yang Property Co., Ltd., together with all other assets, liabilities and owners' equity attached to the equity interests abovementioned at a consideration of approximately RMB109.49 million, RMB68.13 million and RMB41.02 million, respectively.

For further details of the above acquisitions, please refer to the Company's announcements dated 17 February 2025 and 21 May 2025 and the circular dated 30 April 2025.

Further to the Company's circular dated 30 April 2025 regarding the very substantial acquisition and connected transaction (the "**Transaction**"), the Group was in the process of finalising the arrangement in accordance with the disclosed terms as at 31 December 2025. The Transaction had not been completed as at 31 December 2025 and remained outstanding as at the approval date of the annual consolidated financial information of the Group.

Save as disclosed above, 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 at 31 December 2025, the Group had 2,911 employees in total, of which 2,219 employees were engaged in property management and related services for residential properties, 669 employees were engaged in property management and related services for non-residential properties and 23 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 the systematic talent cultivation scheme, 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, and 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. At the same time, we cultivated city companies “Hongyang Elite”, “Hongyang Housekeeper” and “Hongyang Master” for enhancing capabilities of the Company’s customer services, 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. Enforcement of Pledged Shares and Appointment of Receivers

Reference is made to (i) the announcements of the Company dated 23 January 2024, 10 May 2024 and 20 August 2024 in relation to, among others, the pledge of a total of 301,994,000 ordinary shares in the issued share capital of the Company (the “**Pledged Shares**”) by Redsun Services Group (Holdings) Limited to GLAS Agency (Hong Kong) Limited (formerly known as Serica Agency Limited) (the “**Pledgee**”) as security for issuance of certain notes by Hong Seng Limited as part of the consummation of the 2024 Proposed Hong Seng Restructuring, which also occurred on 19 August 2024; and (ii) the announcement of the Company dated 23 October 2025 (collectively with the aforesaid announcements, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this section shall have the same meaning defined in the Announcements.

As disclosed in the Announcements, the Board was informed that, on 21 October 2025, the Pledgee has purportedly taken action to enforce the security interest in the Pledged Shares, and appointed Wong Wing Sze Tiffany and Edward Simon Middleton (the “**Receivers**”) as the joint and several receivers and managers over the Pledged Shares (collectively, the “**Receivership**”). As at the date of this announcement, the Pledged Shares, being 301,994,000 ordinary shares of the Company, represent approximately 72.77% of the total issued share capital of the Company.

While the Company is not in the position, at this stage, to ascertain the validity of the Receivership and the outcome thereof and to announce and provide further information in respect to the aforesaid, the Company has also been informed that, based on the branch register of members of the Company as at 31 December 2025, 285,000,000 ordinary shares in the issued share capital of the Company (which represent approximately 68.67% of the total issued share capital of the Company) were transferred to the Receivers as at 31 December 2025.

The Company is continuously assessing the legal, financial and operational impacts of the actions taken or to be taken by the Receivers. As at the date of this announcement, there was no indication that the Receivers are actively looking for a potential purchaser for the Pledged Shares nor are already in discussion with a potential purchaser over the Pledged Shares. Enforcement by the Receivers of the Pledged Shares may lead to a change in control of the Company.

The Board will closely monitor the development of such matter and issue further announcement(s) in relation to material updates as and when necessary or appropriate in accordance with the Listing Rules or otherwise when the relevant information becomes available.

The business operation and the management of the Group remain normal as at 31 December 2025 and as at the date of this announcement.

4. Events after the Reporting Period

As disclosed in the section headed “1. Material Investments, Acquisitions and Disposals” in this announcement, during the year ended 31 December 2025, the Company entered into a parking spaces transfer framework agreement and a series of equity transfer agreements relating to the acquisition of the equity interests of a subsidiary, an associate and a joint venture. For further details, please refer to the announcement and circular of the Company dated 17 February 2025 and 30 April 2025. The transfer of the parking spaces and the acquisition of the subsidiary were completed during the year. The acquisitions of the associate and the joint venture had not been completed as at the date of this announcement.

As disclosed in the circular of the Company published on 20 March 2026, on 4 February 2026, the Company and Redsun Properties Group Limited (“**Redsun Properties**”) entered into a termination agreement, pursuant to which the New Parking Space Sales and Leasing Agency Services Framework Agreement (as defined in the aforesaid circular), originally entered into on 8 December 2025, was terminated with immediate effect. Following such termination, the Group ceased to act as agent for sale of parking spaces of Redsun Properties.

Save as disclosed above, the Group had no other material events after the Reporting Period.

5. Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

6. Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Group nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including treasury shares, as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) during the Reporting Period.

For the year ended 31 December 2025, the Company did not hold any treasury shares.

7. Exposure to Foreign Exchange Risk

The Group primarily operates in the PRC and the majority of transactions were denominated and settled in RMB. As at the date of this announcement, the Group has not entered into any hedging transactions to mitigate the exposure to foreign exchange risk. The Group will continue to monitor foreign exchange activities and safeguard the cash value of the Group with its best efforts.

8. 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 Listing Rules as its corporate governance standards and, to the best knowledge of the Directors, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code during the Reporting Period.

The Directors will use their best endeavors to procure the Company to continue to comply with the CG Code.

9. Annual General Meeting

An annual general meeting (the “AGM”) has been scheduled to be convened at 10:00 a.m. on Thursday, 25 June 2026.

10. Closure of Register of Members

For the purpose of determining the rights to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 June 2026 to Thursday, 25 June 2026, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 18 June 2026. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 25 June 2026.

11. Compliance with 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 compliance with the required standard set out in the Model Code during the Reporting Period.

12. Review of Annual Results by the Audit Committee

The Board has established its audit committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 of 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 independent non-executive Directors, namely Mr. Zhao Xianbo, Ms. Wang Fen and Mr. Li Xiaohang. The audit committee is chaired by Mr. Zhao Xianbo, an independent non-executive Director who possesses appropriate professional accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

Our audit committee has reviewed the Company's consolidated financial statements for the year ended 31 December 2025 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our audit committee has also discussed the matters of audit and financial reporting.

13. Scope of Work of CCTH CPA Limited on the Preliminary Announcement

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditors, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2025. The work performed by CCTH CPA Limited 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 CCTH CPA Limited on this announcement.

14. Publication of Annual Results and Annual 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 annual report of the Company will be dispatched to the shareholders of the Company in due course, and published on the above websites by the end of April 2026.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my sincere gratitude to all parties for their support in 2025, and to all employees for their contributions and hard work! The Group will use its best endeavors to create the greatest value for our shareholders and investors.

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

Hong Kong, 24 March 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 and Mr. Zhao Xianbo are the independent non-executive Directors.