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 2024

HIGHLIGHTS

The Group achieved the following results for the year ended 31 December 2024:

1. The Group's revenue was RMB1,026.7 million, representing a decrease of 3.6% as compared with RMB1,063.6 million for the corresponding period in 2023.

2. The Group's revenue by business types is as follows:

    - revenue from property management services was RMB822.8 million, accounting for 80.1% of total revenue, representing a decrease of 2.1% as compared with RMB840.2 million for the corresponding period in 2023;

    - revenue from value-added services to non-property owners was RMB42.7 million, accounting for 4.2% of total revenue, representing a decrease of 36.2% as compared with RMB66.9 million for the corresponding period in 2023;

    - revenue from community value-added services was RMB161.2 million, accounting for 15.7% of total revenue, representing an increase of 2.9% as compared with RMB156.6 million for the corresponding period in 2023.

3. Gross profit was RMB199.6 million, representing a decrease of 20.9% as compared with RMB252.4 million for the corresponding period in 2023. Gross profit margin was 19.4%, representing a decrease of 4.3% as compared with 23.7% for the corresponding period in 2023.

4. Profit for the Reporting Period was RMB15.1 million, representing an increase of 6.3% as compared with RMB14.2 million for the corresponding period in 2023. Profit for the Reporting Period attributable to equity shareholders of the Company was RMB14.4 million, representing an increase of 32.1% as compared with RMB10.9 million for the corresponding period in 2023.

5. As at 31 December 2024, the Group had 322 projects under management and contracted GFA of approximately 54.2 million sq.m., which included GFA under management of approximately 49.3 million sq.m., representing an increase of approximately 3.79% as compared with 31 December 2023.

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 2024 (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 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
REVENUE	5	**1,026,678**	1,063,634
Cost of services		**(827,118)**	(811,191)
Gross profit		**199,560**	252,443
Other income and gains and losses	5	**7,174**	9,720
Selling and distribution expenses		**(869)**	(1,102)
Administrative expenses		**(104,313)**	(99,914)
Impairment losses on financial assets, net		**(62,495)**	(119,027)
Other expenses		**(915)**	(903)
Finance costs		**(1,649)**	(2,332)
PROFIT BEFORE TAX	6	**36,493**	38,885
Income tax expense	7	**(21,362)**	(24,651)
PROFIT FOR THE YEAR		**15,131**	14,234
Attributable to:			
Owners of the parent		**14,386**	10,865
Non-controlling interests		**745**	3,369
		15,131	14,234
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		**RMB3.47 cents**	RMB2.62 cents
Diluted		**RMB3.47 cents**	RMB2.62 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**15,131**	14,234
Attributable to:		
Owners of the parent	**14,386**	10,865
Non-controlling interests	**745**	3,369
	15,131	14,234

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**25,333**	19,306
Right-of-use assets		**–**	1,258
Goodwill		**175,050**	175,050
Other intangible assets		**57,725**	73,546
Deferred tax assets		**25,013**	18,178
Total non-current assets		**283,121**	287,338
CURRENT ASSETS			
Inventories		**268**	5,359
Trade receivables	10	**289,936**	254,638
Prepayments, other receivables and other assets	11	**133,010**	123,404
Amounts due from related companies		**391,412**	385,000
Cash and bank balances		**560,574**	638,147
Total current assets		**1,375,200**	1,406,548
CURRENT LIABILITIES			
Trade payables	12	**183,776**	195,871
Other payables and accruals	13	**177,671**	204,662
Contract liabilities		**258,594**	252,595
Interest-bearing bank borrowing		**13,831**	13,791
Lease liabilities		**–**	2,359
Tax payable		**85,136**	78,143
Total current liabilities		**719,008**	747,421
NET CURRENT ASSETS		**656,192**	659,127
TOTAL ASSETS LESS CURRENT LIABILITIES		**939,313**	946,465

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowing		**17,235**	31,063
Deferred tax liabilities		**13,000**	16,830
Total non-current liabilities		**30,235**	47,893
Net assets		**909,078**	898,572
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	**3,764**	3,764
Reserves		**894,294**	879,908
		898,058	883,672
Non-controlling interests		**11,020**	14,900
Total equity		**909,078**	898,572

NOTES TO FINANCIAL STATEMENTS

31 December 2024

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 and community value-added 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. The ultimate controlling party of the Company is Mr. Zeng Huansha.

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 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

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[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature − dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Annual improvements to IFRS Accounting Standards − Volume 11	Amendment to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] 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 and value-added 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 and value-added 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

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2024	2023
	RMB'000	*RMB'000*
Customer A[1]	**(Note)**	201,526

[1] Revenue from property management services and value-added services.

Note: This customer did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2024.

5. REVENUE, OTHER INCOME AND GAINS AND LOSSES

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Property management services	**822,738**	840,174
Value-added services to non-property owners	**42,697**	66,857
Community value-added services	**161,243**	156,603
Total	**1,026,678**	1,063,634

Revenue from contracts with customers

a) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Revenue from customers and recognised over time		
Property management services	**822,738**	840,174
Value-added services to non-property owners	**35,345**	57,069
	858,083	897,243
Revenue from customers and recognised at a point in time		
Value-added services to non-property owners	**7,352**	9,788
Community value-added services	**161,243**	156,603
	168,595	166,391

The following table shows the amount of revenue recognised in the current Reporting Period that was included in the contract liabilities at the beginning of the Reporting Period:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the Reporting Period:		
Property management services	**249,853**	222,156
Community value-added services	**2,741**	3,996
	252,594	226,152

(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

The services are rendered in a short period of time and there were no unsatisfied performance obligations at the end of the respective periods.

	2024	2023
	RMB'000	*RMB'000*
Other income and gains and losses		
Government grants*	**3,860**	6,487
Loss on disposal of a subsidiary	**(48)**	–
Interest income	**2,311**	1,293
Foreign exchange difference, net	**(110)**	947
Fair value gain on financial assets at fair value through profit or loss	**–**	21
(Loss)/gain on disposal of property, plant and equipment	**(242)**	4
Gain on lease modification	**1,390**	–
Others	**13**	968
Total other income and gains and losses	**7,174**	9,720

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

6. PROFIT BEFORE TAX

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

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Cost of services provided		**827,118**	811,191
Depreciation of property, plant and equipment		**7,314**	6,645
Depreciation of right-of-use assets		**1,258**	1,258
Amortisation of intangible assets		**16,039**	16,150
Loss/(gain) on disposal of property, plant and equipment		**242**	(4)
Loss on disposal of a subsidiary		**48**	–
Foreign exchange difference, net		**110**	(947)
Impairment losses on amounts due from related companies		**59,411**	110,865
Impairment losses on trade receivables	10	**2,727**	7,922
Impairment losses on financial assets included in prepayments, deposits and other receivables	11	**357**	240
Write-off of inventories		**5,200**	–
Auditor's remuneration		**810**	1,560
Employee benefit expense (excluding Directors' and chief executive's remuneration):			
Wages and salaries		**271,759**	298,916
Pension scheme contributions and social welfare		**47,233**	64,677

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 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 2024 and 2023, 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.

	2024 *RMB'000*	2023 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**32,027**	43,913
Deferred tax	**(10,665)**	(19,262)
Total tax charge for the year	**21,362**	24,651

8. DIVIDENDS

No dividends have been paid or declared by the Company during the year ended 31 December 2024 (For the year ended 31 December 2023: Nil).

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

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	2024	2023
Profit attributable to owners of the Company during the years *(RMB'000)*	**14,386**	10,865
Weighted average number of ordinary shares in issue	**415,000,000**	415,000,000
Basic earnings per share *(RMB cents)*	**3.47**	2.62

(b) Diluted

The Company did not have any potential dilutive shares outstanding during the years ended 31 December 2024 and 2023. Accordingly, diluted earnings per share is the same as the basic earnings per share.

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**309,736**	271,834
Impairment	**(19,800)**	(17,196)
Net carrying amount	**289,936**	254,638

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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**186,521**	184,037
1 to 2 years	**71,535**	50,104
2 to 3 years	**25,855**	15,704
Over 3 years	**6,025**	4,793
Total	**289,936**	254,638

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

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**17,196**	9,274
Disposal of a subsidiary	**(123)**	–
Impairment losses recognised (note 6)	**2,727**	7,922
At the end of the year	**19,800**	17,196

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 ageings were 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 2024

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

As at 31 December 2023

		Past due			
	Current	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	3.42%	8.97%	15.77%	36.87%	6.33%
Gross carrying amount *(RMB'000)*	190,554	55,044	18,644	7,592	271,834
Expected credit losses *(RMB'000)*	6,517	4,940	2,940	2,799	17,196

11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024	2023
	RMB'000	*RMB'000*
Prepayments on behalf of customers to utility suppliers	**46,116**	50,282
Consideration receivables from disposal of subsidiaries	**32,784**	30,182
Other deposits	**28,127**	28,736
Other tax recoverable	**–**	1,149
Others	**29,256**	16,004
	136,283	126,353
Impairment	**(3,273)**	(2,949)
Total	**133,010**	123,404

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

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**2,949**	2,709
Disposal of a subsidiary	**(33)**	–
Impairment losses recognised (note 6)	**357**	240
At the end of the year	**3,273**	2,949

Other deposits mainly represent deposits with suppliers.

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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**179,903**	194,263
Over 1 year	**3,873**	1,608
Total	**183,776**	195,871

13. OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Receipts on behalf of community residents for utilities	**49,849**	56,018
Deposits received	**65,979**	65,274
Other tax payable	**27,795**	21,917
Payroll and welfare payable	**22,138**	34,343
Others	**11,910**	27,110
Total	**177,671**	204,662

14. SHARE CAPITAL

Shares

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid:		
415,000,000 (2023: 415,000,000) ordinary shares of HK$0.01 each (2023: HK$0.01 each)	**3,764**	3,764

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW FOR 2024

In 2024, the management scale of the property management industry continued to expand and achieved steady growth, but due to the continuous pressure on the upstream real estate market, the competition in the inventory market became more and more fierce, and the overall growth rate of the property management industry was lower than the actual GDP growth rate. Against the backdrop of the industry, property companies are placing greater emphasis on balancing scale and profitability, and the structure of the inventory projects under management is being further optimized.

In terms of layout, the Group consolidated its core strategy of "penetrating the Greater Jiangsu Region (做透大江蘇)" in 2024, further increased its investment in Jiangsu, radiating Suzhou, Wuxi, Changzhou, Xuzhou, Zhenjiang, Taizhou, Yangzhou and other cities centered on Nanjing, and adopted "expanding into core cities (做強中心城)" as the keynote of its cross-regional development, identifying Nanjing, Shanghai, Suzhou, Wuxi, Changzhou, Nantong, Xuzhou, Hefei, Wuhan and Chengdu as the ten key cities for its layout. While establishing its presence in the Yangtze River Delta, the Group explored new growth points in the key second-tier cities in the central and western regions.

In 2024, the Group won multiple industry awards, including "Top 100 Property Management Companies in 2024 (2024中國物業服務百強企業)" and "Top 6 of the Top 50 Enterprises by Comprehensive Strength in Property Management Industry in Jiangsu Province (江蘇省物業服務行業綜合實力五十強企業TOP 6) ", by virtue of its stable and improving comprehensive strength, professional service capability, operational capacity and brand power. Its overall strength in the industry ranked 17 in China.

The business of the Group covers a variety of property types, including residential properties and non-residential properties such as commercial buildings, schools and public construction, and also covers other specialised high-quality consulting services, resulting in collaborated balanced development of residential and commercial projects. As at 31 December 2024, the Group had provided property management services and value-added services to 58 cities in China, with 322 projects under management and contracted GFA of approximately 54.2 million sq.m., which has increased by approximately 0.55% as compared with that as at 31 December 2023, of which the total GFA under management was approximately 49.3 million sq.m., representing an increase of approximately 3.79% as compared with 2023.

During the Reporting Period, affected by unfavorable factors including the overall downturn of the upstream real estate industry, the Group achieved revenue of RMB1,026.7 million, representing a decrease of 3.6% as compared with the corresponding period in 2023, and gross profit of RMB199.6 million, representing a decrease of 20.9% as compared with the corresponding period in 2023. Net profit reached RMB15.1 million, representing an increase of 6.3% as compared with the corresponding period in 2023.

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 focusing on the "customer-centered" service philosophy, we continue to enhance the Redsun Mode and are committed to providing customers with warm quality services across the whole country. 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.

1. Property management services: We provide property owners, residents and tenants with a wide range of property management services, including, among others, public order, cleaning, greening, facility management, customer services and repairs and maintenance services. Our portfolio of managed properties comprises of residential, commercial and other properties. In addition to residential properties, we are expanding our service scopes for non-residential markets. Not only do we provide property management services to a variety of commercial properties, such as shopping malls, operators' business halls, home improvement and furnishings malls, hotels and theme parks, but we also provide property management services to properties such as office buildings, industrial parks and schools.

2. Value-added services to non-property owners: We also provide value-added services to non-property owners, including (1) consulting services to other property management companies; (2) preliminary planning and design consultancy services to property developers for property development projects; (3) 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 (4) other value-added services to property developers, such as inspection services.

3. Community value-added services: We provide community value-added services to residential property owners and residents to improve their living experiences with an aim to preserve and increase the value of their properties. Our community value-added services for residential properties primarily include, among others, (1) property brokerage services, (2) property decoration services, (3) community convenience services, (4) common area value-added services, (5) intelligent services, (6) retail services, (7) assets management services and (8) home decoration services.

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 2023:

	As of 31 December 2024		As of 31 December 2023	
	Revenue *(RMB'000)*	**Percentage** *(%)*	Revenue *(RMB'000)*	Percentage *(%)*
Property management services	**822,738**	**80.1**	840,174	79.0
Value-added services to non-property owners	**42,697**	**4.2**	66,857	6.3
Community value-added service	**161,243**	**15.7**	156,603	14.7
Total	**1,026,678**	**100.0**	1,063,634	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 in 2023:

	As of 31 December 2024			As of 31 December 2023		
	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)	**438,324**	**117**	**19,234.6**	420,470	111	18,403.7
Third-party property developers	**358,052**	**203**	**28,994.2**	350,867	185	28,025.0
Third party developers(2)	**296,943**	**151**	**21,248.6**	269,379	134	20,951.5
Joint ventures and associates of Redsun Properties Group(3)	**61,109**	**52**	**7,745.6**	81,488	51	7,073.5
Other associates of our Controlling Shareholders(4)	**26,362**	**2**	**1,031.6**	68,837	2	1,031.6
Total	**822,738**	**322**	**49,260.4**	840,174	298	47,460.3

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 2023:

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 2024			As of 31 December 2023		
	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	**729,633**	**258**	**44,165.5**	597,291	232	40,309.6
Non-residential properties	**93,105**	**64**	**5,094.9**	242,883	66	7,150.7
Total	**822,738**	**322**	**49,260.4**	840,174	298	47,460.3

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 2023:

Since the inception of the Group, we have expanded our geographic presence from Nanjing to 58 cities in China as of 31 December 2024.

	As of 31 December 2024			As of 31 December 2023		
	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	**289,496**	**96**	**14,429.0**	297,825	96	14,428.2
Jiangsu (excluding Nanjing)	**181,969**	**79**	**15,525.0**	189,064	71	12,379.4
Shanghai	**15,849**	**1**	**601.0**	12,199	2	808.1
Anhui	**98,935**	**42**	**7,224.5**	93,844	41	8,244.6
Shandong	**5,329**	**3**	**264.0**	8,738	2	164.0
Hunan	**12,493**	**8**	**1,147.5**	18,096	8	1,147.5
Hebei	**861**	**1**	**51.9**	4,484	1	51.9
Henan	**5,996**	**2**	**312.5**	6,933	2	312.5
Zhejiang	**25,748**	**13**	**1,635.0**	34,634	15	1,745.5
Hubei	**118,890**	**35**	**4,409.5**	112,494	34	4,409.5
Chongqing	**21,989**	**8**	**1,101.5**	21,806	8	1,101.5
Jiangxi	**5,966**	**4**	**601.1**	12,797	4	601.1
Guangdong	**11,924**	**5**	**454.5**	10,150	5	454.5
Sichuan	**24,617**	**17**	**1,777.1**	14,993	8	1,525.6
Shaanxi	**2,676**	**8**	**86.3**	2,116	1	86.3
Total	**822,738**	**322**	**49,260.4**	840,174	298	47,460.2

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to RMB1,026.7 million, representing a decrease of 3.6% from RMB1,063.6 million for the corresponding period in 2023. The decrease was mainly attributable to the decrease in the Group's revenue from providing 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 RMB822.8 million, representing a decrease of 2.1% from RMB840.2 million for the corresponding period in 2023. This was mainly attributable to the decrease in revenue from commercial property management services as a result of the Group's withdrawal from certain 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 RMB42.7 million, representing a decrease of 36.2% from RMB66.9 million for the corresponding period in 2023. 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 achieved substantial growth, amounting to RMB161.2 million, representing an increase of 2.9% from RMB156.6 million for the corresponding period in 2023. During the Reporting Period, the increase in revenue from community value-added services was mainly attributable to the increase in revenue from project common area resource.

Cost of sales and services

During the Reporting Period, the Group's cost of sales and services amounted to RMB827.1 million, representing an increase of approximately 2.0% from RMB811.2 million for the corresponding period in 2023. This was mainly attributable to the increase in the number of projects under management of the Group and the increase in staff cost and sub-contracting cost.

Gross profit

As a result of the aforementioned key factors, the Group's gross profit decreased by approximately 20.9% from RMB252.4 million for the year ended 31 December 2023 to RMB199.6 million for the year ended 31 December 2024. The decrease was mainly attributable to a decrease in revenue from providing value-added services to non-property owners and the increase 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	
	2024	2023
Property management services	**17.8%**	22.3%
Value-added services to non-property owners	**10.9%**	15.8%
Community value-added services	**30.3%**	35.1%
Total	**19.4%**	23.7%

During the Reporting Period, the Group's gross profit margin was 19.4%, representing a decrease of 4.3% from 23.7% for the corresponding period in 2023. This was mainly attributable to the withdrawal from certain commercial property management projects and the increase in staff cost and sub-contracting cost.

The gross profit margin of property management services was 17.8%, representing a decrease of 4.5% from 22.3% for the corresponding period in 2023. This was mainly attributable to the withdrawal from certain commercial property management projects and the increase in staff cost and sub-contracting cost during the Reporting Period.

The gross profit margin of value-added services to non-property owners was 10.9%, representing a decrease of 4.9% from 15.8% for the corresponding period in 2023. 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 30.3%, representing a decrease of 4.8% from 35.1% for the corresponding period in 2023. This was mainly attributable to the decrease in the gross profit margin due to the increase of costs in parking spaces sales business of the Group 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 RMB7.2 million, as compared to RMB9.7 million for the corresponding period in 2023, 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 RMB104.3 million, representing an increase of approximately 4.4% from RMB99.9 million for the corresponding period in 2023. This was mainly attributable to the increase of property management projects of the Group.

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 RMB62.5 million, as compared to RMB119.0 million for the corresponding period in 2023, which was mainly due to the decrease in impairment allowance for receivables from related parties during the period.

Profit before income tax expense

During the Reporting Period, the Group's profit before income tax expense amounted to RMB36.5 million, representing a decrease of approximately 6.2% from RMB38.9 million for the corresponding period in 2023.

Income tax expenses

During the Reporting Period, the Group's income tax expense amounted to RMB21.4 million, representing a decrease of approximately 13.4% from RMB24.7 million for the corresponding period in 2023, which was mainly due to the decrease in profit before tax.

Liquidity, reserves and capital structure

The Group maintained a solid financial position during the Reporting Period. As at 31 December 2024, the current assets amounted to RMB1,375.2 million, representing a decrease of 2.2% as compared to RMB1,406.5 million as at 31 December 2023. The Group's cash and cash equivalents were mainly denominated in RMB and amounted to RMB560.6 million as at 31 December 2024, representing a decrease of 12.1% from RMB638.1 million as at 31 December 2023. The current ratio (current assets divided by current liabilities) of the Group as at 31 December 2024 was 1.91, representing an increase from 1.88 as at 31 December 2023. The gearing ratio (total liabilities divided by total assets) as at 31 December 2024 was 45.2%, representing a decrease of 1.8% from 47.0% as at 31 December 2023.

As at 31 December 2024, the Group's total equity amounted to RMB909.1 million, representing an increase of 1.2% from RMB898.6 million as at 31 December 2023, which was mainly due to the growth in operating profit.

As at 31 December 2024, the Group's interest-bearing bank borrowings amounted to RMB31.1 million, representing a decrease of 30.7% as compared to RMB44.9 million as at 31 December 2023.

The Group's total borrowings were repayable as follows:

	2024	2023
	RMB'000	*RMB'000*
Bank loans repayable:		
Within one year or on demand	**13,831**	13,791
In the second year	**17,235**	13,822
In the third to fifth years, inclusive	**–**	17,241
Total	**31,066**	44,854

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 2024, 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 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 31 December 2024, the Group's trade receivables amounted to RMB289.9 million, representing an increase of approximately 13.9% from RMB254.6 million as at 31 December 2023, which was mainly due to the increase in the number of projects under management of the Group and the lower overall collection rate of newly taken-over projects.

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 2024, the Group's prepayments, deposits and other receivables amounted to RMB133.0 million, representing an increase of 7.8% from RMB123.4 million as at 31 December 2023, primarily due to the increase in prepayments on behalf of customers to utility suppliers resulting from the increase in the number of projects under management.

Trade payables

The Group's trade payables mainly comprise amounts due to subcontractors of property management services. As at 31 December 2024, the Group's trade payables amounted to RMB183.8 million, representing a decrease of approximately 6.2% from RMB195.9 million as at 31 December 2023, which was mainly due to the Group has shortened the account period of the contracted payables to improve the service quality of the project.

Contract liabilities

The Group's contract liabilities mainly represent the advance payments made by customers while our underlying services are yet to be provided. As at 31 December 2024, the Group's contract liabilities amounted to RMB258.6 million, representing an increase of approximately 2.4% from RMB252.6 million as at 31 December 2023, which was mainly due to the continuous growth in the number of property projects under management as a result of the Group's business expansion.

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 2024, the Group's other payables and accruals amounted to RMB177.7 million, representing a decrease of approximately 13.2% from RMB204.7 million as at 31 December 2023, which was mainly due to the decrease in the number of employees and the balance of the payroll payable as a result of the Group upgrading the management system.

Contingent liabilities

As at 31 December 2024, the Group did not have material contingent liabilities or guarantees.

OUTLOOK

In 2025, the Group will adhere to the original intention of "making life warmer" and listen to the voice of customers. We will actively respond to changes in the market environment, timely adjust the development plan, deeply analyze the achievement of key strategic performance in previous years to provide accurate and targeted services with warmth and thoughtfulness, high quality and stability.

In 2025, the Group will continue to broaden the new track, as well as deeply develop its advantageous fields, balance the complementary relationship between business growth and stock, ensure healthy business development in terms of systems, and achieve sustainable and quality growth in business scale and profits.

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.

In terms of market expansion, the Company will integrate resources with taking Jiangsu Province as the core development area, provide high-quality basic services, and support scale high-quality and steady expansion. We will incubate new products from the basic portfolio, seek increment in new types of businesses, actively develop diversified value-added services, increase the number of service projects in the region to generate economies of scale, and reduce costs and increase efficiency.

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 income 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, and the sword of law hangs high, so that employees are 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.

Operational Quality and Efficiency Enhancement. The Group regards operating capacity as the core capability to strengthen the Company's foundation. Improving corporate governance structure, enhancing operational efficiency and making decisions scientifically are the main approaches for the Company to cope with the external environment and participate in market opportunities. In terms of enhancing customer service capability and on-site service quality, the Company continuously optimizes its services system, quality standards and system construction in line with the changing market environment and business structure, so as to enable the quality control system of the Company to meet the market requirements, which is also an important measure to cater to the needs of customers.

We will continue to strengthen the business training of the "Hong Elite", "Redsun Housekeeper" and "Hong Master", to enhance overall service and improve the profitability of individual projects. We will sort out the efficiency improvement plan on a case by case basis, focusing on the management and improvement of the efficiency of such segments as parking space system management, energy consumption reduction, cost recruitment and procurement management, personnel organization efficiency and digital information system upgrade, so as to realize intelligent replacement of manual management, mechanize and improve operation efficiency, and intelligently improve management efficiency. Efficiency will be improved through refined business, smooth processes, clear rights and responsibilities, and online technology so that overall profitability will be increased.

Taking leading enterprises and enterprises of the same scale as in-depth benchmarking, the Group, in combination with the Group's development path and corporate vision, defines the development direction of residential and non-residential businesses, adheres to quality-oriented, and establishes a quality control system and cost standard system for the whole business landscape and full life cycle. We will actively carry out diversified value-added services, increase the level of project revenue within the unit scale, and with the help of an intelligent platform, we will optimize customer service experience while improving management efficiency, and achieve continuous improvement in our reputation among customers and service quality.

Adhering to the core values of "professionalism and building credibility for the long term", we will reinforce our principle of "being talent-oriented, fighter-oriented and contributor-oriented" and uphold our ideals of "health, hard work, humanistic love, practicality, vitality, affinity, coordination and facing problems". Based on such values and principle, corporate cultural development was facilitated and a consensus among employees was reached.

In 2025, as the property management industry advances to a higher quality direction, the Group will rely on its continuously enhancing service capability, operational capacity and brand power, work hard to make new achievements and try its best endeavors to become a venerable good life operator.

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 at 31 December 2024, the Group had 2,878 employees in total, of which 2,264 employees were engaged in property management and related services for residential properties, 251 employees were engaged in property management and related services for commercial properties and 363 employees were engaged in property management and related services for public construction properties.

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)", "Hong Elite Scheme (弘精英計劃)", and "Hong 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 "Hong Elite", "Redsun Housekeeper" and "Hong 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 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

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 RMB142.4 million, RMB73.95 million and RMB41.34 million, respectively.

The final consideration of the acquisitions and scope of the target parking spaces abovementioned are subject to adjustments and will be disclosed in the circular regarding the parking spaces transfer framework agreement and the equity transfer agreements and acquisitions contemplated thereunder to be despatched to the Shareholders in due course.

For details, please refer to the announcement of the Company dated 17 February 2025.

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

4. Final Dividend

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

5. 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.

6. 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.

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 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.

8. Annual General Meeting

An annual general meeting (the "**AGM**") has been scheduled to be convened at 10:00 a.m. on Wednesday, 25 June 2025.

9. 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 Friday, 20 June 2025 to Wednesday, 25 June 2025, 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, 19 June 2025.

10. 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.

11. 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 four members, including three independent non-executive Directors, namely Mr. Zhao Xianbo, Ms. Wang Fen and Mr. Li Xiaohang; and one non-executive Director, Mr. Zeng Junkai. 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 2024 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.

12. 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 2024 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 2024. 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.

13. 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 2025.

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 2024, 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
Zeng Junkai
Chairman

Hong Kong, 25 March 2025

As at the date of this announcement, Mr. Zeng Junkai is the non-executive Director; Mr. Chen Yichun is the executive Director; and Ms. Wang Fen, Mr. Li Xiaohang and Mr. Zhao Xianbo are the independent non-executive Directors.