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**Runhua Living Service Group Holdings Limited**

**润华生活服务集团控股有限公司**

*(a company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2455)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Runhua Living Service Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2024. The annual results of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board on 30 March 2026.

In this announcement, unless otherwise indicated, the terms “associate” and “shareholders” shall have the meanings given to such terms in the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Certain amount and percentage figure included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

#### **FINANCIAL HIGHLIGHTS**

- (a) Revenue for the Reporting Period amounted to RMB930.8 million, representing an increase of 3.0% as compared with 2024.
- (b) Gross profit for the Reporting Period amounted to RMB127.6 million, representing a decrease of 0.2% as compared with 2024.
- (c) Gross profit margin for the Reporting Period was 13.7%, representing an increase of 0.5 percentage point as compared with 2024.
- (d) Profit for the Reporting Period amounted to RMB46.3 million, representing an increase of 1.9% as compared with 2024.
- (e) For the Reporting Period, basic earnings per share of the Group amounted to RMB0.16, representing an increase of 6.7% as compared with 2024.
- (f) The Board does not recommend any payment of final dividends for the Reporting Period (2024: Nil).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>REVENUE</b>	4	<b>930,763</b>	903,691
Cost of services		<u>(803,124)</u>	<u>(775,805)</u>
<b>Gross profit</b>		<b>127,639</b>	127,886
Other income and gains and expenses, net	4	<b>9,144</b>	10,018
Selling and distribution expenses		<b>(735)</b>	(1,694)
Administrative expenses		<b>(78,417)</b>	(73,437)
Finance costs	5	<b>(8,744)</b>	(8,359)
Share of profit of associates		<u><b>6,758</b></u>	<u>3,927</u>
<b>PROFIT BEFORE TAX</b>	6	<b>55,645</b>	58,341
Income tax expense	7	<u><b>(9,325)</b></u>	<u>(12,879)</u>
<b>PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>46,320</b></u>	<u>45,462</u>
Profit and total comprehensive income (expenses) attributable to:			
– Owners of the parent		<b>46,324</b>	45,558
– Non-controlling interests		<u><b>(4)</b></u>	<u>(96)</u>
		<u><b>46,320</b></u>	<u>45,462</u>
<b>EARNINGS PER SHARE</b>			
Basic and diluted ( <i>RMB</i> )	9	<u><b>0.16</b></u>	<u>0.15</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property and equipment		21,036	21,239
Investment properties		53,629	74,539
Other intangible assets		1,436	1,834
Investments in associates		148,316	140,216
Other receivables		97,300	2,300
Deferred tax assets		11,029	8,493
		<u>332,746</u>	<u>248,621</u>
<b>CURRENT ASSETS</b>			
Inventories		124	136
Trade and bill receivables	10	272,433	258,893
Contract assets		23,744	28,867
Prepayments and other receivables		34,126	25,651
Restricted deposits		35,201	6,045
Cash and cash equivalents		83,184	166,834
		<u>448,812</u>	<u>486,426</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	11	82,488	85,177
Other payables and accruals		102,214	122,407
Interest-bearing borrowings		86,481	56,493
Lease liabilities		17,498	15,390
Tax payable		15,234	12,201
		<u>303,915</u>	<u>291,668</u>
<b>NET CURRENT ASSETS</b>		<u>144,897</u>	<u>194,758</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>477,643</u>	<u>443,379</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)***As at 31 December 2025*

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing borrowings	<b>70,900</b>	52,843
Lease liabilities	<b>16,254</b>	35,289
Deferred tax liabilities	<b>2,208</b>	1,910
	<u><b>89,362</b></u>	<u>90,042</u>
<b>NET ASSETS</b>	<u><b>388,281</b></u>	<u>353,337</u>
<b>EQUITY</b>		
Share capital	<b>205</b>	205
Reserves	<b>387,885</b>	352,937
Equity attributable to owners of the Company	<b>388,090</b>	353,142
Non-controlling interests	<b>191</b>	195
<b>TOTAL EQUITY</b>	<u><b>388,281</b></u>	<u>353,337</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*Year ended 31 December 2025*

### 1. GENERAL

Runhua Living Service Group Holdings Limited (the “**Company**”) is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Act of the Cayman Islands. The registered office address of the Company is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. The principal place of business is located at 6th Floor, Building No. 1 Lemeng Center, No. 28988 Jingshi Road, Jinan City, Shandong Province, the People’s Republic of China (the “**PRC**”). In the opinion of the director of the Company, the ultimate holding company of the Company has changed from Springrain Investment Limited (“**Springrain Investment**”), a limited liability company incorporated in the British Virgin Islands (“**BVI**”) to Sailing Investment International Limited, a limited liability company incorporated in the BVI.

The Company is an investment holding company. The Company’s subsidiaries were involved in the provision of property management services, property engineering services and landscape construction services, leasing services from investment properties and other services in the PRC.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 January 2023.

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### (a) Application of amendments to a HKFRS Accounting Standard

In the current year, the Group has applied, for the first time, the following amendments to a HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”) which are effective for the Group’s financial year beginning on 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKAS 21 in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

### (b) New and amendments to HKFRS Accounting Standards issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the financial performance and the financial position of the Group.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

### (b) New and amendments to HKFRS Accounting Standards issued but not yet effective (continued)

#### *HKFRS 18 Presentation and Disclosure in Financial Statements*

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 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. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

## 3. OPERATING SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The directors of the Company have chosen to organise the Group around differences in services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

For management purposes, the Group has four reportable operating segments as follows:

- The property management services segment includes property management services and other related services.
- The property engineering and landscape construction services segment includes property engineering related services and landscape construction services.
- The leasing services from investment properties segment comprises, principally, investing in prime commercial space for its rental income potential.
- The others segment mainly includes (i) the technological development services which are mainly software supporting services and (ii) the intermediary services for patient nursing and post-natal caring services.

### 3. OPERATING SEGMENT INFORMATION (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purpose of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Year ended	Property management services <i>RMB'000</i>	Property engineering and landscape construction services <i>RMB'000</i>	Leasing services from investment properties <i>RMB'000</i>	Others <i>RMB'000</i>	Elimination of inter-segment sales <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025						
<b>Segment revenue</b>						
Sales to external customers	874,571	34,161	14,914	7,117	-	930,763
Inter-segment sales	<u>7,929</u>	<u>1,689</u>	<u>-</u>	<u>198</u>	<u>(9,816)</u>	<u>-</u>
	<u>882,500</u>	<u>35,850</u>	<u>14,914</u>	<u>7,315</u>	<u>(9,816)</u>	<u>930,763</u>
<b>Segment results</b>	44,525	2,112	(353)	2,203	-	48,487
<b>Reconciliation:</b>						
Other income and gains and expenses, net						9,144
Share of profit of an associate						6,758
Finance costs						<u>(8,744)</u>
Profit before tax						<u>55,645</u>

### 3. OPERATING SEGMENT INFORMATION (continued)

Year ended	Property management services	Property engineering and landscape construction services	Leasing services from investment properties	Others	Elimination of inter-segment sales	Total
31 December 2024	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Segment revenue</b>						
Sales to external customers	841,828	35,007	20,961	5,895	-	903,691
Inter-segment sales	-	192	-	-	(192)	-
	<u>841,828</u>	<u>35,199</u>	<u>20,961</u>	<u>5,895</u>	<u>(192)</u>	<u>903,691</u>
<b>Segment results</b>	45,530	1,208	1,308	4,709	-	52,755
<b>Reconciliation:</b>						
Other income and gains and expenses, net						10,018
Share of profit of an associate						3,927
Finance costs						<u>(8,359)</u>
Profit before tax						<u>58,341</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income and gains and expenses, net, share of profit of an associate and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

#### Information about geographical areas

Since 100% of the Group's revenue and operating profit were generated from Chinese Mainland and 100% of the Group's non-current assets other than financial instruments and deferred tax assets were located in Chinese Mainland during the Reporting Period, no further geographical information of operating segments presented.

#### Information about major customers

The Group has a large number of customers, and none of the revenue from these customers accounted for 10% or more of the Group's revenue during the year (2024: Nil).

#### 4. REVENUE, OTHER INCOME AND GAINS AND EXPENSES, NET

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>	<b>915,849</b>	882,730
<b>Revenue from other sources:</b>		
Gross rental income from investment properties operating leases	<u>14,914</u>	<u>20,961</u>
	<b><u>930,763</u></b>	<b><u>903,691</u></b>

#### Revenue from contracts with customers

##### (a) *Disaggregated revenue information*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Types of services</b>		
Property management services	874,571	841,828
Property engineering and landscape construction services	34,161	35,007
Others	<u>7,117</u>	<u>5,895</u>
<b>Total revenue from contracts with customers within the scope of HKFRS 15</b>	<b><u>915,849</u></b>	<b><u>882,730</u></b>

#### Timing of revenue recognition

Services transferred overtime	909,917	881,449
At a point in time	<u>5,932</u>	<u>1,281</u>
	<b><u>915,849</u></b>	<b><u>882,730</u></b>

#### 4. REVENUE, OTHER INCOME AND GAINS AND EXPENSES, NET (continued)

##### Revenue from contracts with customers (continued)

###### (a) *Disaggregated revenue information (continued)*

The following table shows the amounts of revenue recognised in the Reporting Period that were included in the contract liabilities at the beginning of the Reporting Period:

Types of services	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at beginning of the year		
Property management services	18,185	18,073
Property engineering and landscape construction services	643	1,468
Others	<u>1,732</u>	<u>2,089</u>
	<u>20,560</u>	<u>21,630</u>

###### (b) *Performance obligations*

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

###### *Property management services*

The performance obligation is satisfied over time as services are rendered. Management service contracts are for periods of one to five years. The customer is billed based on the time when or before the services are provided.

###### *Property engineering and landscape construction services*

The performance obligation is satisfied over time as services are rendered. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

###### *Other services*

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Other service contracts are for periods of one year or less, or are billed based on the time when the services are provided.

#### 4. REVENUE, OTHER INCOME AND GAINS AND EXPENSES, NET (continued)

##### Revenue from contracts with customers (continued)

##### (b) Performance obligations (continued)

##### Other services (continued)

Transaction price allocated to the remaining performance obligations for contracts with customers

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the Reporting Period and the expected timing of recognition are, as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	795,848	804,467
After one year	<u>115,690</u>	<u>70,435</u>
	<u><u>911,538</u></u>	<u><u>874,902</u></u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to property management services, of which the performance obligations are to be satisfied within five years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Government grants*	5,469	5,963
Bank interest income	237	424
Interest income from financial assets	<u>37</u>	<u>43</u>
	<u>5,743</u>	<u>6,430</u>
<b>Gains and expenses</b>		
Foreign exchange difference, net	(578)	2,502
Net loss on disposal of items of property and equipment	(261)	(236)
Gain on early termination of lease contract	–	202
Others	<u>4,240</u>	<u>1,120</u>
	<u>3,401</u>	<u>3,588</u>
	<u><u>9,144</u></u>	<u><u>10,018</u></u>

\* Government grants include various subsidies received by the Group from the relevant government bodies. There are no unfulfilled conditions or contingencies relating to these grants.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on interest-bearing borrowings	6,894	5,798
Interest on lease liabilities	<u>1,850</u>	<u>2,561</u>
	<u><u>8,744</u></u>	<u><u>8,359</u></u>

## 6. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of services provided*	485,015	313,091
Depreciation of property and equipment	8,446	5,457
Depreciation of investment properties	18,855	19,237
Amortisation of other intangible assets**	398	407
Employee benefit expenses (including directors' and chief executive's remuneration)		
Wages and salaries	438,893	439,523
Pension scheme contributions	43,203	44,061
Equity-settled share award expenses	2,172	2,883
Provision for (reversal of) impairment of trade receivables	655	(1,401)
Auditors' remuneration	<u>950</u>	<u>950</u>

\* The amount of cost of services excludes those included in depreciation of property and equipment, depreciation of investment properties and employee benefit expenses, which are included in the respective total amounts disclosed separately above for each of these types of expenses during the year.

\*\* The amortisation of other intangible assets during the Reporting Period is included in administrative expenses in the consolidated statements of profit or loss and other comprehensive income.

## 7. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>PRC Enterprise Income Tax (“EIT”)</b>		
Current tax	<b>10,088</b>	10,880
Over (under) provision in prior years	<b>575</b>	(1,020)
Withholding tax	<b>900</b>	3,000
	<b>11,563</b>	12,860
Deferred tax	<b>(2,238)</b>	19
<b>Total</b>	<b><u>9,325</u></b>	<b><u>12,879</u></b>

## 8. DIVIDENDS

During the year ended 31 December 2025, the Group has declared and paid a special dividend of HKD0.05 (2024: HKD0.13) per share with aggregate amount of HKD15,000,000 (approximately RMB13,548,000) (31 December 2024: HKD39,000,000 (approximately RMB35,629,000)). The board of directors does not recommend any payment of final dividend for the year ended 31 December 2025 (2024: Nil).

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

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Earnings:</b>		
Profit attributable to ordinary equity holders of the parent	<u>46,324</u>	<u>45,558</u>
	2025 <i>Number of Shares</i>	2024 <i>Number of Shares</i>
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue during the year, used in the basic and diluted earnings per share calculation	<u>294,430,694</u>	<u>294,430,694</u>
<b>Earnings per share</b>		
Basic and diluted ( <i>RMB</i> )	<u>0.16</u>	<u>0.15</u>

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the years ended 31 December 2025 and 2024 was 294,430,694 (2024: 294,430,694), representing the weighted average number of ordinary shares of the Company immediately after the capitalisation issue, as if all these shares had been in issue throughout the year ended 31 December 2024.

The computation of diluted earnings per share does not assume the exercise of the Company's share incentive schemes because the exercise price of those options was higher than the average market price for shares for both 2025 and 2024.

## 10. TRADE AND BILL RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	272,007	261,034
Bill receivables	<u>3,949</u>	<u>727</u>
	275,956	261,761
Impairment	<u>(3,523)</u>	<u>(2,868)</u>
	<u><u>272,433</u></u>	<u><u>258,893</u></u>

The Group's credit terms with its customers are mainly on credit. The credit period is generally within 90 days. Each customer has a maximum credit limit. 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. 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's related parties of approximately RMB52,234,000 as at 31 December 2025 (2024: RMB34,871,000), which are trade in nature, unsecured, interest-free and repayable on credit terms similar to those offered to the major customers of the Group.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	233,529	241,704
1 to 2 years	22,084	9,193
Over 2 years	<u>12,871</u>	<u>7,269</u>
	<u><u>268,484</u></u>	<u><u>258,166</u></u>

## 11. TRADE PAYABLES

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>73,778</b>	74,134
3 to 6 months	<b>3,896</b>	3,968
6 months to 1 year	<b>645</b>	2,391
Over 1 year	<b>4,169</b>	4,684
	<b><u>82,488</u></b>	<u>85,177</u>

Trade payables are unsecured, non-interest-bearing and normally settled on terms of less than 90 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Company was successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 January 2023 (the “**Listing Date**”). The Company issued 75,000,000 ordinary shares with a par share of US\$0.0001 each at an offer price of HK\$1.70 per share, raising net proceeds of HK\$89.9 million (after deducting the Listing expenses).

The Group is a reputable integrated property management service provider in the PRC, with a primary focus in Shandong Province by upholding the strategy of “Shandong Focus (精耕山東)”. Over the years, the Group have gradually expanded the geographic presence from Jinan to cover 15 of the 16 prefecture-level cities in Shandong Province. Apart from the properties located in Shandong Province, the Group also managed projects located in Beijing, Hebei Province and Jiangsu Province.

The Group’s commitment to quality of service has set a benchmark for high quality property management in the market, which forms the crux to achieving customer loyalty and retention. In 2025, 94.0% of total revenue was generated from provision of property management services to the customers, of which 93.0% was generated from the non-residential properties, such as hospitals, public properties and commercial and other non-residential properties, whereas the remaining 7.0% was generated from residential properties. Hence, the Group’s property management services have been and will continue to be strategically focused on non-residential properties in the PRC.

The services provided by the Group can be broadly divided into four business segments by their nature, namely (i) property management services; (ii) property engineering and landscape construction services; (iii) leasing services from property investment; and (iv) other services.

Leveraging the Group’s extensive experience in Shandong Province, the Group actively explores and pursues opportunities to expand the property portfolio and bolster the geographic presence across Shandong Province by securing more projects, with a specific interest in high-end hospitals and public properties for improving the Group’s profile and exposure in the market.

## **FUTURE PROSPECTS**

In 2025, the Group demonstrated strong resilience and growth potential amid a complex and volatile market environment. Looking ahead, the Group will adhere to the strategic pillars of “deepening core strengths, diversifying growth channels, and innovating smart services” to consolidate its industry leadership and create long-term value for shareholders, clients, and society.

In respect of the future development of the Group, the Group plans to (i) build on the established presence in Shandong Province, further penetrate key cities by leveraging mergers and acquisitions, strategic partnerships, and competitive bidding. In view of the PRC’s continuous growth in the economy and urbanisation, as well as the expected increase in the number of new properties, both in residential and non-residential, apart from growing the business through organic growth initiatives, the Group plans to increase the market share in cities where the Group has presence in Shandong Province, via acquisitions and business collaboration with business partners, as well as penetrate into the market in other developed neighbouring regions, such as Yangtze River Delta Region and Beijing-Tianjin-Hebei Region, via acquisitions of well-established local property management companies; and (ii) prioritize developing value-added service.

The Board considers that the public listing status has impacted the perception of customers towards the Group and believes that the public listing status is a form of complementary advertising which will further enhance the corporate profile, assist in reinforcing the brand awareness and market reputation, enhance the credibility with the public and potential business partners and offer the Company a broader shareholder base which will provide liquidity in the trading of the Shares. In addition, the Board believes that the Listing will enable the Group to gain access to the capital market for future fund raising both at the time of Listing and at later stages which would certainly assist the Group in the future business development.

## FINANCIAL REVIEW

### Revenue

The Group's revenue primarily generated from four business segments by their nature, namely (i) property management services; (ii) property engineering and landscape construction services; (iii) leasing services from property investment; and (iv) other services. The revenue increased by RMB27.1 million or 3.0% from RMB903.7 million for the year ended 31 December 2024 to RMB930.8 million for the Reporting Period, which was primarily attributable to the business growth in the property management sector from RMB841.8 million for the year ended 31 December 2024 to RMB874.6 million for the Reporting Period.

The table below sets forth a breakdown of revenues by type of services provided for the year indicated:

	For the year ended 31 December				
	2025		2024		Growth rate
	Revenue <i>RMB'000</i>	%	Revenue <i>RMB'000</i>	%	
Property management services	<b>874,571</b>	<b>94.0</b>	841,828	93.2	3.9
Property engineering and landscape construction services	<b>34,161</b>	<b>3.7</b>	35,007	3.9	(2.4)
Leasing services from property investment	<b>14,914</b>	<b>1.6</b>	20,961	2.3	(28.8)
Other services	<b>7,117</b>	<b>0.7</b>	5,895	0.6	20.7
<b>Total</b>	<b><u>930,763</u></b>	<b><u>100.0</u></b>	<b><u>903,691</u></b>	<b><u>100.0</u></b>	<b><u>3.0</u></b>

The table below sets forth a breakdown of revenue from providing property management services by type of managed properties for the year indicated:

	For the year ended 31 December			
	2025		2024	
	Revenue		Revenue	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Hospitals	404,087	46.2	378,745	45.0
Public properties	250,697	28.7	270,319	32.1
Commercial and other non-residential properties	158,564	18.1	121,536	14.4
Residential properties	61,223	7.0	71,228	8.5
<b>Total</b>	<b>874,571</b>	<b>100.0</b>	<b>841,828</b>	<b>100.0</b>

The property management services are the largest source of revenue. For the Reporting Period, the revenue from property management services was RMB874.6 million, accounting for 94.0% of the Group's total revenue. The increase in revenue from the segment was primarily due to the growth in the number of projects in hospital property and public property sectors, and the increase in number of managed projects was driven by the Group's continuous effort to expand business and diversity the portfolios of the property management projects.

For the Reporting Period, the revenue from property engineering and landscape construction services was RMB34.2 million, accounting for 3.7% of the Group's total revenue. The decrease in revenue from the segment was primarily due to the fact that certain sizeable property engineering and landscape construction projects were substantially completed and most of their contract values have been recognised during the Reporting Period.

For the Reporting Period, the revenue from leasing services from property investment was RMB14.9 million, accounting for 1.6% of the Group's total revenue. The decrease in revenue from the segment was mainly caused by the lower occupancy rate of the Group's investment property located in Jinan City rented by the Group in December 2021.

For the Reporting Period, the revenue from other services remained relatively stable, amounting to RMB5.9 million for the year ended 31 December 2024 and RMB7.1 million for the Reporting Period.

## Cost of Services

The Group's cost of services primarily includes staff costs, subcontracting costs, material and consumables and other cost of services. For the Reporting Period, the total cost of services of the Group was RMB803.1 million, which increased by RMB27.3 million or 3.5% as compared to RMB775.8 million for the same period of 2024 and was in line with the increase in the revenue generated from property management services.

## Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by RMB0.3 million or 0.2% to RMB127.6 million for the Reporting Period from RMB127.9 million for the year ended 31 December 2024 as a result of the net effect of the abovementioned factors for the increase in revenue and costs of service.

The following table sets forth a breakdown of the gross profit and gross profit margin by business segments during the year indicated:

	For the year ended 31 December			
	2025		2024	
	Gross profit	Gross profit	Gross profit	Gross profit
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	119,127	13.6	116,042	13.7
Property engineering and landscape construction services	4,904	14.4	4,066	11.6
Leasing services from property investment	977	6.6	2,969	14.2
Other services	<u>2,631</u>	<u>37.0</u>	<u>4,809</u>	<u>81.6</u>
<b>Total</b>	<b><u>127,639</u></b>	<b><u>13.7</u></b>	<b><u>127,886</u></b>	<b><u>14.2</u></b>

For the Reporting Period, the gross profit margin of the Group decreased by 0.5 percentage point as compared with 2024, which was primary attributed to the decrease in the gross profit margin of the property management services.

The gross profit margin of property management services decreased by 0.1 percentage point, remaining essentially stable.

The gross profit margin of property engineering and landscape construction services increased by 2.8 percentage points, primarily due to the increase in contract value of one project while the project's cost incurred remaining unchanged as a result of the downturn in China's property and construction markets.

The gross profit margin of leasing services from property investment decreased by 7.6 percentage points, mainly because the Group's most significant leasing project, cut rental prices to attract customers and improve the occupancy rate.

The gross profit margin of other services decreased by 44.6 percentage points, primarily attributable to the increase in revenue from the resource center project in 2024, which has a higher gross profit margin.

### **Other Income and Gains and Expenses, Net**

The other income and gains and expenses primarily consisted of government grants and interest income. The other income and gains and expenses, net decreased by RMB0.9 million or 8.7% from RMB10.0 million for the year ended 31 December 2024 to RMB9.1 million for the Reporting Period. The decrease in other income and gains and expenses, net was primarily due to the decrease in the government grants, bank interest income and the foreign exchange difference.

### **Selling and Distribution Expenses**

The selling and distribution expenses decreased by RMB959 thousand or 56.6% from RMB1.7 million for the year ended 31 December 2024 to RMB735 thousand for the Reporting Period. The decrease in selling and distribution expenses was primarily due to the decrease in advertising expenses.

### **Administrative Expenses**

The administrative expenses increased by RMB5.0 million or 6.8% from RMB73.4 million for the year ended 31 December 2024 to RMB78.4 million for the Reporting Period. The increase in administrative expenses was primarily due to higher depreciation expenses.

### **Finance Costs**

The finance costs increased by RMB385 thousand or 4.6% from RMB8.4 million for the year ended 31 December 2024 to RMB8.7 million for the Reporting Period. The increase in finance costs was primarily due to the increase of interest on borrowings.

## **Share of Profit of Associates**

Share of profit of associates increased by RMB2.9 million or 72.1% from RMB3.9 million for the year ended 31 December 2024 to RMB6.8 million for the Reporting Period mainly due to the increase of net profit from an associate.

## **Income Tax Expense and Effective Tax Rate**

The income tax expense decreased from RMB12.9 million for the year ended 31 December 2024 to RMB9.3 million for the Reporting Period.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the enterprise income tax rate of the Group’s PRC subsidiaries is 25%, unless subject to tax deduction or exemption. The effective tax rate was 22.1% and 16.8% for the year ended 31 December 2024 and the Reporting Period, respectively. The effective tax rate for 2024 was lower than the statutory tax rate due to (i) the fact that certain subsidiaries of the Group are qualified as small low-profit enterprises in the PRC and were entitled to a preferential income tax rate; and (ii) the adjustment to the profits attributable to an associate amounting to approximately RMB1.0 million for the year ended 31 December 2024, which was not taxable.

The effective tax rate for the Reporting Period was lower than the statutory tax rate due to (i) the fact that certain subsidiaries of the Group are qualified as small low-profit enterprises in the PRC and were entitled to a preferential income tax rate; and (ii) the adjustment to the profits attributable to an associate amounting to approximately RMB1.7 million for the Reporting Period, which was not taxable.

## **Profit for the Year and Net Profit Margin**

As a result of the foregoing, the net profit increased by RMB0.8 million or 1.8% from RMB45.5 million for the year ended 31 December 2024 to RMB46.3 million for the Reporting Period, and the net profit margin was 5.0% for the Reporting Period, remaining stable compared to 5.0% in 2024.

## **Property and Equipment**

Property and equipment of the Group mainly consists of buildings, electronic devices and furniture, fixtures and equipment. As at 31 December 2025, the Group’s property and equipment was RMB21.0 million, a slight decrease by RMB0.2 million from RMB21.2 million as at 31 December 2024 mainly due to the corresponding increase in depreciation.

## **Investment Properties**

The investment properties primarily represented commercial properties located in the PRC that were or intended to be leased or subleased to third parties under operating leases for the provision of the property leasing services. The investment properties decreased from RMB74.5 million as at 31 December 2024 to RMB53.6 million as at 31 December 2025, primarily due to the increase in depreciation and decrease resulting from reduction of lease payments.

## **Investment in Associates**

The investment in associates primarily represents the Group's 41% interests in Tianjin Tianfu Property Management Co., Ltd.\* (天津天孚物業管理有限公司), which is a property management company located in Tianjin and the Group recorded the investment in associates of RMB148.3 million as at 31 December 2025.

## **Trade and Bill Receivables**

The trade and bill receivables are mainly fees receivable from the property management services, and property engineering and landscape construction services. The Group's trade receivables as at 31 December 2025 amounted to RMB272.4 million, representing an increase of RMB13.5 million or 5.2% as compared to RMB258.9 million as at 31 December 2024, primarily as a result of the business growth of property management services to hospitals and public properties, which require a longer settlement period.

## **Prepayments and Other Receivables**

Prepayment, other receivables and other assets comprised prepayments to suppliers, deposits and other receivables. Prepayment, other receivables and other assets increased from RMB25.7 million as at 31 December 2024 to RMB34.1 million as at 31 December 2025, primarily due to the increase of the prepayment and deposits.

## **Trade Payables**

The Group's trade payables as at 31 December 2025 amounted to RMB82.5 million, representing a decrease of approximately RMB2.7 million or 3.2% as compared to RMB85.2 million as at 31 December 2024.

\* for identification purpose only

## **Other Payables and Accruals**

Other payables and accruals decreased from RMB122.4 million as at 31 December 2024 to RMB102.2 million as at 31 December 2025, due to the settlement of other payable to suppliers.

## **Liquidity, Financial Resources and Capital Structures**

As at 31 December 2025, the Group had cash and cash equivalents of RMB118.4 million (of which RMB24.9 million is denominated in HK\$ (2024: RMB25.7 million), and the rest is denominated in RMB). The total interest-bearing bank loans and other borrowings slightly increased to RMB157.4 million as at 31 December 2025 from RMB109.3 million as at 31 December 2024.

The current ratio (total current assets divided by total current liabilities) as at 31 December 2025 was 1.5 (31 December 2024: 1.7).

The Group finances its working capital requirements through a combination of funds generated from operations and alternative funding resources from equity and debt. The Group did not carry out any interest rate hedging policy.

The share capital of the Company is only comprised of ordinary shares. As at the date of this announcement, the issued share capital of the Company was US\$30,000, comprising 300,000,000 shares of nominal value of US\$0.0001 per share.

## **Capital expenditure and commitments**

The Group's capital expenditure in the Reporting Period primarily comprised expenditure on property and equipment, investment properties and other intangible assets, amounted to a total of RMB9.6 million (31 December 2024: RMB13.3 million).

As at 31 December 2025, the Group had no capital commitments (31 December 2024: Nil).

## **Pledge of Assets**

As at 31 December 2024, the property and equipment with a net book value of approximately RMB4,203,000 were pledged to the bank for a loan amounting to RMB20,000,000 with an interest rate of 5.50% (31 December 2025: nil).

As at 31 December 2024, the property and equipment with a net book value of approximately RMB10,167,000 were pledged to a financial institution, which is an independent third party, for a loan amounting to RMB6,936,000 guaranteed by the entity controlled by Mr. Luan Tao (31 December 2025: nil). The loan was due within two years with an interest rate of 3.48% (31 December 2025: nil).

### **Contingent Liabilities**

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

### **Cash Flow**

For the Reporting Period, the net cash used in operating activities was RMB86.3 million, which was mainly resulted from the prepayment of RMB95 million for capital investment for the Reporting Period. The net cash used in investing activities for the Reporting Period was RMB8.2 million, which was primarily due to the purchase of items of property and equipment during the Reporting Period. The net cash from financing activities for the Reporting Period was RMB10.9 million, which was primarily due to the new interest-bearing borrowings, partially offset by the repayment of interest-bearing borrowings and the principal portion of lease payments.

### **Foreign Exchange Risk**

The Group operates its business primarily in the PRC. RMB is the currency used by the Group for valuation and settlement of all transactions. Any depreciation of RMB would adversely affect the value of any dividends paid by the Group to shareholders outside the PRC. Majority of the Group's cash and cash equivalents is denominated in RMB. The Group is currently not engaged in hedging activities that are designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange activities and make its best efforts to protect the cash value of the Group.

### **Treasury Policy**

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the Reporting Period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Reporting Period, the Company did not have any significant investments (including significant investments which accounted for 5% or more of the total assets of the Group) or material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **FINAL DIVIDEND**

The Board does not recommend the payment of any final dividend for the Reporting Period (2024: Nil).

## **FUTURE PLANS FOR MAJOR INVESTMENTS**

The Group intends to utilise part of the net proceeds raised from the Global Offering to acquire property management companies according to the Prospectus. As at the date of this announcement, the Group does not have any other material plans to invest in the future.

## **EMPLOYEES AND REMUNERATION POLICY**

The Group employed 12,900 employees as at 31 December 2025 (31 December 2024: 11,682). The Group also engages subcontractors in provision of labour intensive works, such as general cleaning and security services. The employment contracts either have no fixed terms, or if there are fixed terms, the terms are generally up to five years, after which the Group evaluate renewals based on performance appraisals. All of the full-time employees are paid a fixed salary and may be granted other allowances, based on their positions. In addition, discretionary bonuses may also be awarded to employees based on the employee's performance. The Group conduct regular performance appraisals to ensure that the employees receive feedback on their performance.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board and the management of the Group are committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability of the Company. Throughout the Reporting Period, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors, senior management members, and employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities.

The Company had made specific enquiry to all Directors and all Directors confirmed that they have complied with the Model Code during the Relevant Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management members or relevant employees of the Group during the Reporting Period and up to the date of this announcement.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

As at 31 December 2025, the Company and its subsidiaries did not hold any treasury shares.

## **PUBLIC FLOAT**

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules during the Reporting Period. The Company maintained the minimum level of public float of 25% of its total issued share capital.

## **EVENTS AFTER THE REPORTING PERIOD**

The Group did not have any other significant event after 31 December 2025 and up to the date of this announcement.

## USE OF PROCEEDS FROM THE LISTING

The net proceeds from the Listing intended to be applied in accordance with the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 30 December 2022. On 31 December 2025, the Board resolved to change the use of the unutilized net proceeds, details as set out as follow:

Planned use of net proceeds	Planned allocation of net proceeds <i>HK\$ million</i> <i>(approximately)</i>	Unutilized amount up to 31 December 2024 <i>HK\$ million</i> <i>(approximately)</i>	Utilized amount during the Reporting Period <i>HK\$ million</i> <i>(approximately)</i>	As at 31 December 2025			Updated expected timeline for full utilisation of the balance
				Utilized amount <i>HK\$ million</i> <i>(approximately)</i>	Unutilized amount before the change of use <i>HK\$ million</i> <i>(approximately)</i>	Unutilized amount after the change of use <i>HK\$ million</i> <i>(approximately)</i>	
Making strategic investments and acquisitions to expand the property management business	48.8	48.8	–	–	48.8	–	–
Exploring potential investment opportunities, including strategic cooperation, acquisitions, increasing the capital of the subsidiaries, and establishing new subsidiaries for the purpose of expanding the Company’s business scope and scale	N/A	N/A	–	–	N/A	20.0	By the end of 2028
Developing, strengthening and implementing the information technologies	25.2	16.0	4.3	13.5	11.7	15.0	By the end of 2028
Improving staff motivation mechanism to attract, cultivate and retain talents	15.9	6.7	2.7	11.9	4.0	16.0	By the end of 2028
Expanding business in different regions	N/A	N/A	–	–	N/A	13.5	By the end of 2028
	<u>89.9</u>	<u>71.5</u>	<u>7.0</u>	<u>25.4</u>	<u>64.5</u>	<u>64.5</u>	

The Board will continuously assess the plan for the use of the unutilised net proceeds and may revise or amend such plan where necessary to cope with the changing market conditions and strive for better business performance of the Group. For further details, please refer to the announcements of the Company dated 31 December 2025 and 21 January 2026.

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

The Company has established the Audit Committee in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. The Audit Committee currently consists of one non-executive Director and two independent non-executive Directors, namely Mr. Cheng Xin, Ms. Wang Yushuang and Ms. Bao Ying. Ms. Wang Yushuang is the chairlady of the Audit Committee and holds the appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Listing Rules. The main duties of the Audit Committee are to review and supervise the financial reporting system, risk management and internal control systems of the Group, oversee its audit process and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed with the management of the Company this annual results and the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial statements matters, including the review of the consolidated financial statements of the Group for the Reporting Period.

## **SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED**

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

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF STOCK EXCHANGE AND THE COMPANY**

The annual results announcement has been published on the websites of the Stock Exchange at ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company at ([www.sdrhwy.cn](http://www.sdrhwy.cn)). The annual report of the Company for the Reporting Period, which contains all information required by the Listing Rules, will be published on the websites of the Stock Exchange and the Company in due course.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “AGM”) will be held on Wednesday, 3 June 2026 while the notice and circular convening the AGM will be published and dispatched to the Company’s shareholders in the form required in the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 29 May 2026 to Wednesday, 3 June 2026 (both days inclusive). The record date will be Wednesday, 3 June 2026. In order to qualify for attending and voting at the AGM, all transfer documents together with the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar for registration, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 28 May 2026.

By Order of the Board  
**Runhua Living Service Group Holdings Limited**  
**Mr. Yang Liquan**  
*Chairman and executive Director*

Hong Kong, 30 March 2026

*As at the date of this announcement, Mr. Yang Liquan and Mr. Fei Zhongli are executive Directors; Mr. Luan Tao, Mr. Luan Hangqian and Mr. Cheng Xin are non-executive Directors; and Ms. Wang Yushuang, Ms. Bao Ying and Ms. He Murong are independent non-executive Directors.*