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润华物业
RUNHUA PROPERTY

Runhua Living Service Group Holdings Limited
润华生活服务集团控股有限公司
(Limited company incorporated in the Cayman Islands)
(Stock Code: 2455)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Runhua Living Service Group Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2025. The interim results of the Group for the six months ended 30 June 2026 have been reviewed by the Company's audit committee (the "**Audit Committee**") and approved by the Board on 28 August 2026.

Certain amounts and percentages contained in this announcement have been rounded up to one or two decimal places. Any difference between the total amount and the total amount of any form, chart or other part set out in this announcement is due to rounding.

FINANCIAL SUMMARY

- Revenue for the Reporting Period increased by 10.70% to RMB488.6 million from RMB441.4 million for the six months ended 30 June 2025.
- Gross profit for the Reporting Period was RMB66.4 million, with an increase of 6.28% compared to the same period in 2025.
- Gross profit margin for the Reporting Period was 13.6%, representing a decrease of 0.5 percentage points as compared with 2025.
- Net profit for the Reporting Period was RMB45.0 million, with an increase of 107.33% compared to the same period in 2025.
- As at 30 June 2026, cash and cash equivalents amounted to RMB148.05 million, with an increase of 78% compared to RMB83.18 million as at 31 December 2025, mainly attributable to the refund of deposits for the acquisition of equity investment and investment properties upon cancellation.
- The Board has decided not to declare any interim dividend for the six months ended 30 June 2026.

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT

For the six months ended 30 June 2026

	Notes	**2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
REVENUE	*4*	**488,597**	441,387
Cost of services		**(422,247)**	(378,956)
Gross profit		**66,350**	62,431
Other income and gains and expenses, net	*4*	**(236)**	5,681
Sales and distribution expense		**–**	(735)
Administrative expense		**(34,908)**	(35,759)
Finance costs	*6*	**(4,284)**	(4,456)
Share of profit of associates		**1,344**	564
Gain on disposal of a subsidiary		**23,038**	–
PROFIT BEFORE TAX	*5*	**51,304**	27,726
Income tax expense	*7*	**(6,274)**	(6,007)
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**45,030**	21,719
PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		**45,000**	21,723
Non-controlling interests		**30**	(4)
		45,030	21,719
EARNINGS PER SHARE			
Basic and diluted	*9*	**RMB0.15**	RMB0.07

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property and equipment		**18,148**	21,036
Investment properties	*10*	**19,178**	53,629
Other Intangible assets		**1,457**	1,436
Investments in associates		**149,660**	148,316
Other receivables		**15,000**	97,300
Deferred tax asset		**2,321**	11,029
TOTAL NON-CURRENT ASSETS		**205,764**	332,746
CURRENT ASSETS			
Inventories		**570**	124
Trade and bill receivables	*11*	**298,790**	272,433
Contract assets		**21,938**	23,744
Prepayments and other receivables		**68,243**	34,126
Restricted deposits		**35,895**	35,201
Cash and cash equivalents		**148,051**	83,184
TOTAL CURRENT ASSETS		**573,487**	448,812
CURRENT LIABILITIES			
Trade payables	*12*	**60,492**	82,488
Other payables and accruals		**124,469**	102,214
Interest-bearing borrowings		**96,481**	86,481
Lease liabilities		**941**	17,498
Tax payable		**11,199**	15,234
TOTAL CURRENT LIABILITIES		**293,582**	303,915
NET CURRENT ASSETS		**279,905**	144,897
TOTAL ASSETS LESS CURRENT LIABILITIES		**485,669**	477,643

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		**60,150**	70,900
Lease liabilities		**1,661**	16,254
Deferred tax liabilities		**3,639**	2,208
TOTAL NON-CURRENT LIABILITIES		**65,450**	89,362
NET ASSETS		**420,219**	388,281
EQUITY			
Share capital	*13*	**205**	205
Reserves		**419,793**	387,885
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**419,998**	388,090
NON-CONTROLLING INTERESTS		**221**	191
TOTAL EQUITY		**420,219**	388,281

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

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 AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**") which are effective for the Group's financial year beginning on 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period did not have any material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

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.

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.

Six months ended 30 June 2026	**Property management services** *RMB'000* (Unaudited)	**Property engineering and landscape construction services** *RMB'000* (Unaudited)	**Leasing services from investment properties** *RMB'000* (Unaudited)	**Others** *RMB'000* (Unaudited)	**Elimination of intersegment sales** *RMB'000* (Unaudited)	**Total** *RMB'000* (Unaudited)
Segment revenue *(note 4)*						
Sales to external customers	**468,506**	**8,191**	**6,611**	**5,289**	**–**	**488,597**
Intersegment sales	**497**	**109**	**812**	**997**	**(2,415)**	**–**
	469,003	**8,300**	**7,423**	**6,286**	**(2,415)**	**488,597**
Segment results	**27,358**	**516**	**1,216**	**2,352**	**–**	**31,442**
Reconciliation						
Other income and gains and expenses, net						**(236)**
Gain on disposal of a subsidiary						**23,038**
Share of result of an associate						**1,344**
Finance costs						**(4,284)**
Profit before tax						**51,304**

Six months ended 30 June 2025	Property management services *RMB'000* (Unaudited)	Property engineering and landscape construction services *RMB'000* (Unaudited)	Leasing services from investment properties *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Elimination of intersegment sales *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(note 4)*						
Sales to external customers	415,758	16,089	8,298	1,242	–	441,387
Intersegment sales	–	–	–	–	–	–
	415,758	16,089	8,298	1,242	–	441,387
Segment results	20,990	2,113	2,790	44	–	25,937
Reconciliation						
Other income and gains and expenses, net						5,681
Share of result of an associate						564
Finance costs						(4,456)
Profit before tax						27,726

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

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15	**481,986**	433,089
Revenue from other sources：		
Gross rental income from investment properties operating leases	**6,611**	8,298
	488,597	441,387

Revenue from contracts with customers

(a) Disaggregated revenue information

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of services		
Property management services	**468,506**	415,758
Property engineering services and landscape construction services	**8,191**	16,089
Others	**5,289**	1,242
Total revenue from contracts with customers within the scope of HKFRS 15	**481,986**	433,089
Timing of revenue recognition		
Services transferred overtime	**478,299**	433,089
At a point in time	**3,687**	–
	481,986	433,089

(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 Group is billed based on the time when or before the services are provided.

Property engineering services 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.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants*	**106**	5,034
Bank interest income	**11**	135
Interest income from financial assets	**–**	36
	117	5,205
Gains and expenses		
Foreign exchange difference, net	**(846)**	(272)
Others	**493**	748
	(353)	476
	(236)	5,681

* 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. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of services provided*	**433,077**	213,067
Depreciation of property and equipment	**2,351**	2,710
Depreciation of investment properties	**8,097**	9,428
Amortization of intangible assets**	**199**	199
Employee benefit expenses (including directors' and chief executive's remuneration)		
Wages and salaries	**297,338**	207,569
Pension scheme contributions	**16,267**	19,235
Equity-settled share award expenses	**(64)**	262
(Reversal of)provision for impairment of trade receivables	**765**	(312)

* 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.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on interest-bearing borrowings	**3,688**	3,414
Interest on lease liabilities	**596**	1,042
	4,284	4,456

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("EIT")		
Current Tax	**7,290**	6,390
Deferred tax	**(1,016)**	(383)
Total	**6,274**	6,007

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and its subsidiary incorporated in the BVI are not subject to any income tax.

Under the Hong Kong tax laws, the Company's subsidiary in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5% for taxable income earned in Hong Kong before 1 April 2018. Starting from the financial year commencing on 1 April 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HKD2,000,000 and 16.5% for any assessable profits in excess of HKD2,000,000. No provision for Hong Kong profits tax was made for the periods ended 30 June 2026 and 2025 on the basis that the subsidiary did not have any assessable profits arising in or derived from Hong Kong for both periods.

In accordance with the PRC EIT, subsidiaries established in the PRC were subject to the income tax rate of 25% during the Reporting Period.

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small Low-profit Enterprises (Announcement No. 13 2022 of the Ministry of Finance and the State Taxation Administration) jointly issued by the Ministry of Finance and the State Taxation Administration, during the period from 1 January 2022 to 31 December 2025, for the portion of annual taxable income amount which exceeds RMB1 million but not more than RMB3 million, the taxable income amount is reduced at a rate of 25%, and it is subject to enterprise income tax at a rate of 20%.

According to the Announcements No.12 2021 and No.6 2023 of the Ministry of Finance and the State Taxation Administration jointly issued by the Ministry of Finance and the State Taxation Administration, during the period from 1 January 2021 to 31 December 2025, for the portion of annual taxable income amount which does not exceed RMB1 million, the taxable income amount is reduced at a rate of 12.5%, and it is subject to enterprise income tax at a rate of 20%. Certain of the Group's PRC subsidiaries and branches were qualified as small low-profit enterprises and thus were entitled to tax incentives for both years.

8. DIVIDENDS

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

In addition, the special dividend of HK$0.05 per ordinary shares, amounting to approximately HK$15,000,000 had been approved by the Board at the Board meeting held on 16 June 2026.

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

The calculation of the basic earnings per share amount is based on the profit for the period 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 period was 300,000,000 (30 June 2025: 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 periods ended 30 June 2025 and 2026.

The Group had no potentially dilutive ordinary shares in issue for the period.

The calculation of the basic and diluted earnings per share is based on the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent	**45,000**	21,723

	Six months ended 30 June Number of Shares	
	2026	2025
Shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic and diluted earnings per share calculation	**300,000,000**	294,430,694
Earnings per share		
Basic and diluted *(RMB)*	**0.15**	0.07

10. INVESTMENT PROPERTIES

The Group's investment properties are located on the land in the PRC with a period of land use right from 20 to 40 years for self-owned properties, which are measured using a cost model and depreciated on a straight-line basis over their estimated useful lives to write off their costs (net of estimated residual value).

Investment properties leased to third parties and related parties are operating leases. As at 30 June 2026, the carrying amount of the investment property subleased or intended to be subleased was RMB2,512,000 (30 June 2025: RMB45,638,000).

As at 30 June 2026, the Group had not obtained the ownership certificates for certain car parking lots with a net book value of approximately RMB7,230,501 (30 June 2025: RMB7,824,127).

At the end of the Reporting Period, the fair value of the Group's investment properties was approximately RMB26,606,500 (30 June 2025: RMB73,877,700).

The fair value estimations for the self-owned properties and leased properties were both at Level 3 of the fair value hierarchy.

11. TRADE AND BILL RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**296,033**	272,007
Bill receivables	**7,045**	3,949
	303,078	275,956
Impairment	**(4,288)**	(3,523)
	298,790	272,433

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**255,445**	233,529
1 to 2 years	**22,328**	22,084
Over 2 years	**13,972**	12,781
	291,745	268,484

12. TRADE PAYABLES

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**44,011**	73,778
3 to 6 months	**1**	3,896
6 months to 1 year	**12,470**	645
Over 1 year	**4,010**	4,169
Total	**60,492**	82,488

13. SHARE CAPITAL

Shares	**30 June 2026**	31 December 2025
	(Unaudited)	(Audited)
Authorised (number of shares) Ordinary shares of USD0.0001	**500,000,000**	500,000,000
Issued and paid (number of shares) Ordinary shares of USD0.0001	**300,000,000**	300,000,000

As at 30 June 2026, the total number of ordinary shares issued by the Company was 300,000,000 (31 December 2025: 300,000,000), which included 5,569,306 (2025: 5,569,306) treasury shares held and issued under the Pre-IPO restricted share unit scheme ("**RSU Scheme**") of the Group adopted on 14 December 2022.

14. EVENT AFTER THE REPORTING PERIOD

During the Reporting Period, Shandong Runhua Property Management Co., Ltd., an indirectly wholly-owned subsidiary, entered into a property purchase agreement with Shandong Diping Tianyu Real Estate Co., Ltd., a company wholly owned by Mr. Luan Hangqian (a controlling shareholder), to acquire a commercial property in Jinan for RMB40.0 million. The acquisition is expected to be completed by mid-September 2026. Please refer to the announcements dated 22 June 2026 and 17 July 2026 for more details.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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 investment properties; and (iv) other services.

During the Reporting Period, 95.9% of the Group's revenue was generated from the property management services. The Group's revenue was mainly generated from non-residential properties, which has achieved outstanding results in the hospital property management services.

Property management services

The Group's commitment to service quality sets a benchmark for high-quality property management in the market, and service quality is the key to achieving customer loyalty and retaining customers.

The Group provides (a) typical property management services, such as (i) cleaning and disinfection services, including regular cleaning and disinfection, waste management, pest control, floor waxing maintenance of public areas of our projects under management and regular greening and horticultural maintenance of green areas of our managed properties; (ii) security services, including 24-hour surveillance, patrols, guards, access control, crowd control, visitor handling, emergency handling and fire drills; (iii) general care and maintenance services, including daily inspection, care and maintenance of facilities and equipment, firefighting facilities and safety signs, hydropower facilities and safety facilities in public areas; and (iv) customer services, including value-added services (including concierge services, guidance services, catering services, housekeeping services, car cleaning services and delivery services), parking lot management services, canteen management services, conference services, elevator operation services and driver services; and (b) hospital central transportation services to provide comprehensive and professional solutions for managing, supporting and optimising the entire operating process of our hospitals.

During the Reporting Period, 95.9% of total revenue was generated from the provision of property management services to customers, of which 94.2% was generated from non-residential properties (such as hospitals, public properties and commercial and other non-residential properties) and the remaining 5.8% was generated from residential properties. As a result, the Group's property management services have been and will continue to strategically focus on non-residential properties in the PRC.

Property engineering and landscape construction services

The Group offer diversified services to meet the diverse needs of the customers. In most cases, the Group understands the needs of customers for property engineering and landscape construction services, and provide daily on-site property management services for the customers. Therefore, the Group can contact the customers and introduce business opportunities for the responsible departments of the Group at the first time.

The Group's property engineering and landscape construction services include: (i) important maintenance services involving the maintenance, restoration and repair of existing building parts and systems; (ii) interior decoration services, including resurfacing of roofs, renovation of exterior and interior walls, rendering and retiling of floors, concrete spalling and repair works, repair and replacement of existing facilities, painting, varnishing, improvement of firefighting services, plumbing and drainage works; (iii) alterations and additions to the architectural layout and structural engineering; (iv) installing elevators; (v) selling, leasing and planting trees, shrubs, flowers, hedges and saplings; (vi) altering the shape and height of the greening land by leveling, refilling, mounding and laddering; (vii) installation of landscape sprinkler irrigation system, well piping, inspection wells, and water meters and other related equipments; and (viii) provide irrigation, pruning, fertilisation, pest control, weeding and other landscape maintenance works during/after the provision of landscape construction services.

Leasing services from investment properties

In order to create other businesses that provide a source of recurring revenue, the Group acquires and/or rent certain commercial properties located in Jinan, Shandong Province.

The properties have been leased to meet the daily business needs of the customers. As at 30 June 2026, the Group owned 35 owned investment properties and 4 leased investment properties in a commercial building.

Other services

The Group provides auxiliary services for (i) patient care and postpartum care services; and (ii) sale of software support systems developed by the Group and routine server maintenance services.

During the Reporting Period, the Group's revenue was mainly derived from non-residential property management services, and the hospital property management business delivered solid performance. Amid intensified industry competition and pricing pressure on service fees for certain existing projects, the Group is required to continuously optimise its project portfolio, focus on high-margin non-residential business segments and strictly control operating costs so as to maintain overall operational resilience.

FUTURE PROSPECTS

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; (ii) prioritize developing value-added service; and (iii) actively expand the property leasing business, focusing on high-quality commercial properties. By leveraging the Group's existing management scale and tenant resources, the Group aims to provide comprehensive asset operation and management services to enhance asset utilization rates and generate stable recurring revenue streams.

FINANCIAL PERFORMANCE

Revenue

The Group's revenue is mainly generated from four business segments divided by their nature, namely (i) property management services; (ii) property engineering and landscape construction services; (iii) leasing services from investment properties; and (iv) other services.

The following table sets out a breakdown of revenue by type of services provided during the period shown:

	Six months ended 30 June				
	2026		2025		
	Revenue *RMB'000*	%	Revenue *RMB'000*	%	Growth rate %
Property management services	**468,506**	**95.9**	415,758	94.2	12.7
Property engineering services and landscape construction services	**8,191**	**1.7**	16,089	3.6	(49.1)
Leasing services from investment properties	**6,611**	**1.3**	8,298	1.9	(20.3)
Other services	**5,289**	**1.1**	1,242	0.3	326.0
Total	**488,597**	**100.0**	441,387	100.0	10.7

Revenue increased by RMB47.2 million or 10.7% from RMB441.4 million for the six months ended 30 June 2025 to RMB488.6 million for the six months ended 30 June 2026, which was primarily attributable to the growth of the revenue from the property management services from RMB415.8 million for the six months ended 30 June 2025 to RMB468.5 million for the six months ended 30 June 2026.

The following table sets out a breakdown of revenue from the provision of property management services by type of property under management during the period shown:

	Six months ended 30 June				
	2026		2025		
	Revenue		Revenue		Growth rate
	RMB'000	*%*	*RMB'000*	*%*	*%*
Hospitals	**214,387**	**45.7**	196,601	47.3	9.0
Public Properties	**141,890**	**30.3**	120,944	29.1	17.3
Commercial and other non-residential properties	**85,225**	**18.2**	73,325	17.6	16.2
Residential Properties	**27,004**	**5.8**	24,888	6.0	8.5
Total	**468,506**	**100.0**	415,758	100.0	12.7

Revenue increased by RMB52.7 million or 12.7% from RMB415.8 million for the six months ended 30 June 2025 to RMB468.5 million for the six months ended 30 June 2026. The growth in property management revenue was mainly due to a rise in the number of projects in public and hospital properties, while the increase in managed projects came from the Group continuously expanding its business and diversifying its property management portfolio.

Service Costs

The Group's cost of services primarily includes staff costs, subcontracting costs, material and consumables and other cost of services. The cost of services of the Group increased by 11.4% from RMB379.0 million for the six months ended 30 June 2025 to RMB422.2 million for the six months ended 30 June 2026. The increase was primarily attributable to the deployment of frontline employees and engagement of subcontractors for new property management projects, consistent with the revenue growth recorded during the Reporting Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by RMB3.9 million or 6.3% from RMB62.4 million for the six months ended 30 June 2025 to RMB66.4 million for the six months ended 30 June 2026.

The following table sets out a breakdown of gross profit and gross profit margin by business segments during the period shown:

	Six months ended 30 June			
	2026		2025	
	Gross profit *RMB'000*	**Gross profit margin** *%*	Gross profit *RMB'000*	Gross profit margin *%*
Property management services	**61,075**	**13.0**	55,681	13.4
Property engineering services and landscape construction services	**1,087**	**13.3**	3,331	20.7
Leasing services from investment properties	**1,617**	**24.5**	3,270	39.4
Other services	**2,571**	**48.6**	149	12.0
Total	**66,350**	**13.6**	62,431	14.1

For the six months ended 30 June 2026, the Group's gross profit margin decreased by 0.5 percentage points compared with the same period last year. This was mainly due to a decline in the gross profit margin from leasing services in property investments.

The gross profit margin of property management services decreased by 0.4 percentage points, remaining basically unchanged from the same period during 2025.

The gross profit margin of property engineering and landscape construction services decreased by 7.4 percentage points, mainly attributable to the higher-margin large-scale engineering projects newly added in 2025.

The gross profit margin of leasing services from investment properties fell by 14.9 percentage points, primarily driven by lower occupancy rates and rental prices of the Group's core leasing project.

The gross profit margin of other services rose by 36.6 percentage points, mainly due to a newly awarded hospital property consulting contract with a relatively high profit margin recognised in the Reporting Period.

Other Income and Gains and Expenses, Net

Other income and gains and expenses, net mainly include government grants and bank interest income. The net balance swung to a loss of RMB0.2 million for the six months ended 30 June 2026 from a net gain of RMB5.7 million for the corresponding period in 2025, representing a negative movement of RMB5.9 million, primarily due to a significant reduction in government grants received during the period.

Sales and Distribution Expenses

Sales and distribution expenses decreased from RMB735 thousand for the six months ended 30 June 2025 to nil for the six months ended 30 June 2026, mainly due to the reduction in selling expenses.

Administrative Expenses

Administrative expenses decreased by RMB0.9 million or 2.4% from RMB35.8 million for the six months ended 30 June 2025 to RMB34.9 million for the six months ended 30 June 2026.

Financial Costs

Financial costs decreased by RMB0.2 million or 3.8% from RMB4.5 million for the six months ended 30 June 2025 to RMB4.3 million for the six months ended 30 June 2026.

Share of Profit of Associates

Share of profit of associates increased by RMB780 thousand or 138.3% from RMB564 thousand for the six months ended 30 June 2025 to RMB1.3 million for the Reporting Period mainly due to the increase of net profit from an associate.

Income Tax Expense and Effective Tax Rate

Income tax expenses increased by RMB0.3 million or 4.4% from RMB6.0 million for the six months ended 30 June 2025 to RMB6.3 million for the six months ended 30 June 2026.

Under 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 reduction or exemption. The effective tax rates for the six months ended 30 June 2025 and 2026 were 21.7% and 12.2%, respectively.

Profit and Net Profit Margin for the Period

As a result of the foregoing, the net profit increased by RMB23.3 million or 107.33% from RMB21.7 million for the six months ended 30 June 2025 to RMB45.0 million for the six months ended 30 June 2026, and the net profit margin increased from 4.9% for the six months ended 30 June 2025 to 9.2% for the six months ended 30 June 2026.

Property and Equipment

The property and equipment of the Group mainly includes buildings, electronic equipment, furniture, fixtures, and equipment. As at 30 June 2026, the Group's property, plant and equipment amounted to RMB18.1 million, representing a decrease of RMB2.9 million compared with RMB21.0 million as at 31 December 2025, mainly attributable to the depreciation charged for the current period.

Investment Properties

Investment properties mainly refer to commercial properties located in China, which have been or are 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 RMB53.6 million as at 31 December 2025 to RMB19.2 million as at 30 June 2026. The decrease was mainly attributable to the disposal of Shandong Qiantai Commercial Management Co., Ltd. ("**Qiantai Company**") during the Reporting Period, resulting in a reduction of RMB32.19 million in respect of the investment property of Qiantai Building.

Investments in Associates

The investments 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) ("**Tianjin Tianfu**"), which is a property management company located in Tianjin and the Group recorded the investments in associates of RMB149.7 million as at 30 June 2026.

Trade and Bill Receivables

Trade receivables mainly consist of fees receivable for property management services, property construction, and landscaping services. As at 30 June 2026, the Group's trade receivables amounted to RMB298.8 million, representing an increase of RMB26.4 million or 9.7% compared to RMB272.4 million as at 31 December 2025, 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

Prepayments and other receivables include prepayments to suppliers, deposits, other receivables. Prepayments and other receivables increased from RMB34.1 million as at 31 December 2025 to RMB68.2 million as at 30 June 2026. The increase was mainly attributable to a RMB46.8 million rise in other receivables, mainly due to the non-offsetting of other receivables arising from the disposal of Qiantai Company during the Reporting Period.

Trade Payables

As at 30 June 2026, the Group's trade payables amounted to RMB60.5 million, a decrease of RMB22 million or 26.7% compared to RMB82.5 million as at 31 December 2025.

Other Payables and Accruals

Other payables and accruals increased from RMB102.2 million as at 31 December 2025 to RMB124.5 million as at 30 June 2026. The increase was mainly attributable to newly-awarded and renewed contracts in the first half of 2026 which had not yet been fully performed.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB148.1 million (of which RMB22.6 million (31 December 2025: RMB24.9 million) is denominated in HKD and the rest in RMB) (31 December 2025: RMB83.2 million).

Total interest-bearing bank loans and other borrowings decreased from RMB157.4 million as at 31 December 2025 to RMB156.6 million as at 30 June 2026. As at 30 June 2026, interest-bearing bank borrowings amounting to (i) RMB11.1 million (2025: nil), bearing interest at an annual rate of 4.65% and repayable within one year; (ii) RMB16.0 million (2025: RMB17.0 million), bearing interest at an annual rate of 5.67% (2025: 5.67%) and repayable within one year; (iii) RMB10.0 million (2025: RMB20.0 million), bearing interest at an annual rate of 3.3% (2025: 3.3%) and repayable within one year; (iv) RMB9.2 million (2025: RMB9.5 million), bearing interest at an annual rate of 5.4% (2025: 5.4%) and repayable within one year; (v) RMB9.4 million (2025: RMB9.7 million), bearing interest at an annual rate of 4.5% (2025: 4.5%) and repayable within one year; (vi) RMB26.8 million (2025: RMB36.9 million), bearing interest at an annual rate of 3.4% (2025: 3.4%) and repayable within two years; (vii) Newly-added during the current period: RMB30.0 million, bearing interest at an annual rate of 4.0% and repayable within one year; (viii) Newly-added during the current period: RMB10.0 million, bearing interest at an annual rate of 4.25% and repayable within one year; (ix) Newly-added during the current period: RMB10.0 million, bearing interest at an annual rate of 3.9% and repayable within one year; (x) Newly-added during the current period: RMB17.0 million, bearing interest at an annual rate of 4.0% and repayable within three years; (xi) Newly-added during the current period: RMB5.0 million, bearing interest at an annual rate of 3.6% and repayable within one year; (xii) Newly-added during the current period: RMB2.1 million, bearing interest at an annual rate of 3.55% and repayable within one year. As at 30 June 2026, the gearing ratio (total interest-bearing borrowings divided by total equity) was approximately 37.3% (31 December 2025: 40.5%). As at 30 June 2026, the current ratio (total current assets divided by total current liabilities) was 2.0 (31 December 2025: 1.5).

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 consists only of ordinary shares. As at the date of this announcement, the issued share capital of the Company is USD30,000, including 300,000,000 shares with a par value of USD0.0001 per share.

Capital Expenditure and Commitment

The Group's capital expenditure for the six months ended 30 June 2026 mainly included expenditure on property and equipment, and investment properties, amounting to a total of RMB1.2 million (for the six months ended 30 June 2025: RMB2.1 million).

As at 30 June 2026, the Group had capital expenditure amounted to RMB40,000,000 contracted for but not provided in the unaudited condensed consolidated financial statements in respect of acquisition of investment properties (31 December 2025: Nil).

Cash Flow

For the six months ended 30 June 2026, the net cash used in operating activities was RMB5.1 million, mainly due to an increase in trade receivables and prepayments and other receivables. For the six months ended 30 June 2026, the net cash from investing activities was RMB79.7 million. This mainly represents the refund of deposit for the acquisition of investment property. For the six months ended 30 June 2026, the net cash used in financing activities was RMB8.9 million, mainly due to an increase of interest-bearing bank borrowings.

Pledge of Assets

As at 30 June 2026, certificates of deposit of RMB4.0 million owned by the Group were pledged as security for bank loans of RMB16.0 million with an interest rate of 5.67% and repayable within one year (31 December 2025: certificates of deposit of RMB4.0 million owned by the Group were pledged as security for bank loans of RMB17.0 million (bearing interest at 5.67% per annum and repayable within two years)). As at 30 June 2026, certificates of deposit of RMB30.0 million owned by the Group were pledged as security for bank loans of RMB26.8 million with an interest rate of 3.4% and repayable within two years. As at 31 December 2025, certificates of deposit of RMB30.0 million owned by the Group were pledged as security for bank loans of RMB26.8 million with an interest rate of 3.4% and repayable within three years.

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. As at 30 June 2026, except for cash and cash equivalents denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations. 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, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save for what is set out below, as at 30 June 2026, the Group had no significant acquisitions or disposals of subsidiaries, associates and joint ventures (including significant investments accounting for 5% or more of the Group's total assets).

On 19 May 2026, Shandong Runhua Property Management Co., Ltd. ("**Shandong Runhua**"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with independent third parties, namely Shandong Zhike Property Management Co., Ltd. and Shandong Xinyuexuan Care Service Co., Ltd.. Pursuant to the agreement, Shandong Runhua has agreed to dispose of its entire 100% equity interest in Qiantai Company for a cash consideration of RMB5 million. The transaction gave rise to a gain on disposal of a subsidiary of RMB23.0 million, which reflected the reclassification of the accumulated reserves previously recognised in the Group's consolidated equity to profit or loss upon loss of control over Qiantai Company.

FUTURE PLANS FOR MAJOR INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Use of Proceeds from the Global Offering" in this announcement, the Group did not have any other immediate plans for material investment and capital assets as of the date of this announcement. The Group may look into business and investment opportunities in different business areas and consider whether any asset or business acquisitions, restructuring or diversification may become appropriate in order to improve its long-term competitiveness.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Main Board of the Stock Exchange on 17 January 2023 (the "**Listing Date**"). The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering of approximately HK$89.9 million (the "**Net Proceeds**"). As at 1 January 2026, the unutilized amount of the net proceeds was approximately HK$64.5 million.

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. For details, please refer to the announcement of the Company dated 31 December 2025. The proceeds were used according to the intentions previously disclosed during the Reporting Period.

Set out below are details of the reallocation of the net proceeds, and the unutilized amount of the net proceeds up to 30 June 2026.

Planned use of net proceeds	Unutilized amount as at 1 January 2026 *HK$ million* (approximately)	Utilized amount during the Reporting Period *HK$ million* (approximately)	Unutilized amount as at 30 June 2026 *HK$ million* (approximately)	Expected timeline or all balances to be used up
Strategic investments and acquisitions to expand property management business	N/A	N/A	N/A	
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	20.0	3.0	17.0	By the end of 2028
Developing, strengthening and implementing the information technologies	15.0	1.4	13.6	By the end of 2028
Improving staff motivation mechanism to attract, cultivate and retain talents	16.0	1.0	15.0	By the end of 2028
Expanding business in different regions	13.5	–	13.5	By the end of 2028
	64.5	5.4	59.1	

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.

EMPLOYEE AND COMPENSATION POLICY

As at 30 June 2026, the Group employed 15,359 employees (31 December 2025: 12,900). The Group also engages subcontractors to provide labor-intensive work, such as general cleaning and security services. There is no fixed term for the employment contract, or if there is a fixed term, the term generally does not exceed five years, after which the Group assesses whether to renew the contract based on performance evaluation. All full-time employees are paid a fixed salary and other allowances depending on their position. In addition, employees will also be given discretionary bonuses based on their performance. The Group conducts regular performance evaluations to ensure that employees receive feedback according to their performance.

For the six months ended 30 June 2026, the total employee costs (including salaries, other employee benefits, and retirement plan contributions for directors and other employees of the Group) were RMB314 million (for the six months ended 30 June 2025: RMB227 million). The increase in employee costs is mainly due to the increase in the number of front-line staff, which is consistent with the business growth in the first half of 2026.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2026.

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 adopted and complied with all applicable code provisions under the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**").

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "**Audit Committee**") is currently composed of two independent non-executive Directors (namely, Ms. Wang Yushuang and Ms. Bao Ying) and one non-executive Director (namely, Mr. Cheng Xin). 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 unaudited interim results of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee and management. The Audit Committee is of the view that such results comply with applicable accounting standards, Listing Rules, and other applicable legal requirements, and has made sufficient disclosure.

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 Reporting Period and up to the date of this announcement. 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.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period and up to the date of this announcement, the Company was not involved in any material legal proceeding or arbitration. To the best knowledge of the Directors, as at the date of this announcement, there is no material legal proceeding or claim which is pending or threatened against the Company.

PUBLIC FLOAT

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

CHANGES TO DIRECTORS' INFORMATION

Mr. Fei Zhongli has resigned as an executive director and the chief executive officer of the Company, with effect from 12 May 2026.

Ms. Chen Jie has been appointed as an executive director and the chief executive officer of the Company, with effect from 12 May 2026.

For details, please refer to the announcement of the Company dated 12 May 2026 in relation to the resignation, appointment and change of executive director and chief executive officer.

Save as disclosed above and in this announcement, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of the Rule 13.51(2) of the Listing Rules since the publication of the 2025 annual report up to the date of this announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

During the Reporting Period, Shandong Runhua Property Management Co., Ltd., an indirectly wholly-owned subsidiary, entered into a property purchase agreement with Shandong Diping Tianyu Real Estate Co., Ltd., a company wholly owned by Mr. Luan Hangqian (a controlling shareholder), to acquire a commercial property in Jinan for RMB40.0 million. The acquisition is expected to be completed by mid-September 2026. Please refer to the announcements dated 22 June 2026 and 17 July 2026 for more details.

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 (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period and up to the date of this announcement. The Company did not hold any treasury shares as of 30 June 2026.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sdrhwy.cn). The interim report of the Company for the Reporting Period (including all information required by the Listing Rules) will be sent to the shareholders of the Company timely and published on the websites of the Stock Exchange and the Company.

By order of the Board
Runhua Living Service Group Holdings Limited
Mr. Yang Liqun
Chairman and Executive Director

Hong Kong, 28 August 2026

As at the date of this announcement, Mr. Yang Liqun and Ms. Chen Jie 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.