



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)

2025

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yang Liqun (*Chairman of the Board*)
Mr. Fei Zhongli (*Chief Executive Officer*)

Non-executive Directors

Mr. Luan Tao
Mr. Luan Hangqian
Mr. Cheng Xin

Independent Non-Executive Directors

Ms. Wang Yushuang
Ms. Bao Ying
Ms. He Murong

AUDIT COMMITTEE

Ms. Wang Yushuang (*Chairlady*)
Mr. Cheng Xin
Ms. Bao Ying

REMUNERATION COMMITTEE

Ms. He Murong (*Chairlady*)
Mr. Yang Liqun
Ms. Wang Yushuang

NOMINATION COMMITTEE

Mr. Yang Liqun (*Chairman*)
Ms. He Murong
Ms. Bao Ying

AUTHORISED REPRESENTATIVES

Ms. Ng Ka Man
Mr. Yang Liqun

COMPANY SECRETARY

Ms. Ng Ka Man

INDEPENDENT AUDITOR

SHINEWING (HK) CPA Limited
Registered Public Interest Entity Auditor
17/F, Chubb Tower, Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

COMPLIANCE ADVISER

Zhongtai International Capital Limited
19/F
Li Po Chun Chambers
189 Des Voeux Road Central
Central
Hong Kong

REGISTERED OFFICE

Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

6th Floor, Building No. 1
Lemeng Center
No. 28988 Jingshi Road
Jinan City
Shandong Province
PRC

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFER

Campbells Corporate Services Limited
Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

PRINCIPAL BANKS

Agricultural Bank of China Co., Ltd. (Jinan Dajin Branch)
Industrial and Commercial Bank of China Limited
(Jinan Huaiyin Branch)

WEBSITE

www.sdrhwy.cn

STOCK CODE

2455

FINANCIAL SUMMARY

The following is a summary of the results and assets and liabilities of Runhua Living Service Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for six months ended 30 June 2024 and 30 June 2025, respectively.

RESULTS

	Six months ended 30 June		Changes
	2025 RMB'000	2024 RMB'000	
Revenue	441,387	407,475	8.3%
Gross profit	62,431	61,252	1.9%
Profit before tax	27,726	24,338	13.9%
Income tax expense	(6,007)	(6,875)	12.6%
Profit for the period and total comprehensive income for the period	21,719	17,463	24.4%
Profit and total comprehensive income attributable to: Owners of the parent	21,723	17,558	23.7%

CONSOLIDATED FINANCIAL POSITION

	30 June 2025 RMB'000	31 December 2024 RMB'000	Changes
Total assets	821,295	735,047	11.7%
Total liabilities	445,977	381,710	16.8%
Total equity attributable to: Owner of the Company	375,318	353,337	6.2%

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

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, 94.2% 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, 94.2% of total revenue was generated from the provision of property management services to customers, of which 94.0% was generated from non-residential properties (such as hospitals, public properties and commercial and other non-residential properties) and the remaining 6.0% 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2025, 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.

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 addition to deepening the presence in Shandong Province, the Group plans to expand the business into other regions such as the Yangtze River Delta and the Pearl River Delta. Furthermore, the Group will continue to deepen the hospital property management services, while proactively developing value-added services for hospital property management. The Group will further leverage technological support to improve hospital property management, optimize hospital central transportation services, and build differentiated hospital property management services; and (ii) prioritize developing value-added service, such as patient care and postpartum care services.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

There was no change in the intended use of net proceeds as previously disclosed in the prospectus (the “**Prospectus**”) of the Company in relation to global offering of its shares (the “**Global Offering**”) dated 30 December 2022, and the expected timeline for the use of net proceeds will be subject to the business development of the Company.

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 periods shown:

	Six months ended 30 June					
	2025		2024		Growth rate	
	Revenue RMB'000	%	Revenue RMB'000	%		
Property management services	415,758	94.2	379,581	93.2	9.5	
Property engineering services and landscape construction services	16,089	3.6	6,876	1.7	134.0	
Leasing services from investment properties	8,298	1.9	13,576	3.3	(38.9)	
Other services	1,242	0.3	7,442	1.8	(83.3)	
Total	441,387	100.0	407,475	100.0	8.3	

Revenue increased by RMB33.9 million or 8.3% from RMB407.5 million for the six months ended 30 June 2024 to RMB441.4 million for the six months ended 30 June 2025, which was primarily attributable to the growth of the revenue from the property management services from RMB379.6 million for the six months ended 30 June 2024 to RMB415.8 million for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	2025		2024		
	Revenue RMB'000	%	Revenue RMB'000	%	Growth rate %
Hospitals	196,601	47.3	184,789	48.7	6.4
Public Properties	120,944	29.1	121,299	32.0	(0.3)
Commercial and other non residential properties	73,325	17.6	50,405	13.3	45.5
Residential Properties	24,888	6.0	23,088	6.1	7.8
Total	415,758	100	379,581	100	9.5

Revenue increased by RMB36.2 million or 9.5% from RMB379.6 million for the six months ended 30 June 2024 to RMB415.8 million for the six months ended 30 June 2025, which was primarily attributable to (i) the new property management service agreements entered into for hospital and commercial properties in the second half of 2024 and the first half of 2025; and (ii) the growth in the residential property business driven by the gradual recovery of the real estate industry under policy support.

Cost of Services

The Group's cost of services mainly include staff costs, subcontracting costs, materials and consumables, and other service costs. The cost of services of the Group increased by 9.5% from RMB346.2 million for the six months ended 30 June 2024 to RMB379.0 million for the six months ended 30 June 2025. The increase was mainly because front-line employees who were deployed and subcontractors were engaged for new property management projects, which was consistent with the growth of the revenue during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by RMB1.2 million or 1.9% from RMB61.3 million for the six months ended 30 June 2024 to RMB62.4 million for the six months ended 30 June 2025.

The following table sets out a breakdown of gross profit and gross profit margin by type of services provided during the periods shown:

	Six months ended 30 June			
	2025		2024	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Property management services	55,681	13.4	53,784	14.2
Property engineering services and landscape construction services	3,331	20.7	1,007	14.6
Leasing services from investment properties	3,270	39.4	5,146	37.9
Other services	149	12.0	1,315	17.7
Total	62,431	14.1	61,252	15.0

For the six months ended 30 June 2025, the Group's gross profit margin decreased by 0.9 percentage point compared with the same period during 2024, which was primarily due to the decrease of the gross profit margin of the property management services.

The gross profit margin of property management services decreased by 0.8 percentage point, remaining basically unchanged from the same period during 2024.

The gross profit margin of property engineering services and landscape construction services increased by 6.1 percentage points, mainly attributable to the higher gross profit margin of newly added large-scale engineering project contracts during the period.

The gross profit margin of leasing services from investment properties increased by 1.5 percentage points, mainly attributable to the withdrawal of a tenant with low rent, which slightly lifted the overall gross margin.

The gross profit margin of other services decreased by 5.7 percentage points, mainly due to the increase in outsourcing labour costs for patient care and postpartum care services.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income and Gains and Expenses, Net

Other income and gains and expenses, net mainly include government grants and bank interest income. The net amount of other income and gains and expenses increased by RMB2.8 million, or 95.2%, from RMB2.9 million for the six months ended 30 June 2024 to RMB5.7 million for the six months ended 30 June 2025. The increase in other income and gains and expenses was mainly attributable to an increase of RMB4.9 million in government grants received by the Company compared to the same period during 2024, partially offset by the foreign exchange difference loss recorded by the Group during the Reporting Period.

Sales and Distribution Expenses

Sales and distribution expenses decreased from RMB1.0 million for the six months ended 30 June 2024 to RMB735 thousand for the six months ended 30 June 2025, primarily due to a decrease in sales expenses.

Administrative Expenses

Administrative expenses increased from RMB34.4 million for the six months ended 30 June 2024 to RMB35.8 million for the six months ended 30 June 2025, primarily due to the write-off of trade receivables of RMB1.2 million.

Financial Costs

Financial costs increased by RMB210 thousand or 4.9%, from RMB4.2 million for the six months ended 30 June 2024 to RMB4.5 million for the six months ended 30 June 2025.

Share of Profit/(Loss) of an Associate

Share of profit of an associate increased by RMB681 thousand or 582.1%, from the loss of RMB117 thousand for the six months ended 30 June 2024 to the profit of RMB563,336 for the six months ended 30 June 2025. The change was due to the profit incurred for the six months ended 30 June 2025.

Income Tax Expense and Effective Tax Rate

Income tax expenses decreased by RMB868 thousand or 12.6% from RMB6.9 million for the six months ended 30 June 2024 to RMB6.0 million for the six months ended 30 June 2025.

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 2024 and 2025 were 28.2% and 21.7%, respectively.

Profit and Net Profit Margin for the Period

As a result of the foregoing, the net profit increased by RMB4.3 million or 24.4% from RMB17.5 million for the six months ended 30 June 2024 to RMB21.7 million for the six months ended 30 June 2025, and the net profit margin increased from 4.3% for the six months ended 30 June 2024 to 4.9% for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Property and Equipment

The property and equipment of the Group mainly includes buildings, electronic equipment, furniture, fixtures, and equipment. As at 30 June 2025, the Group's property and equipment amounted to RMB20.4 million, representing a decrease of RMB835 thousand compared with RMB21.2 million as at 31 December 2024. This decrease was mainly due to (i) the purchase of RMB2.1 million on property and equipment, with depreciation of RMB2.7 million recognised in cost and expenses for the Reporting Period; and (ii) the disposal of RMB0.6 million of property and equipment, with a cumulative depreciation transfer of RMB0.37 million.

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 RMB74.5 million as at 31 December 2024 to RMB63.6 million as at 30 June 2025, mainly due to depreciation of RMB6.0 million for Qiantai Building during the Reporting Period, depreciation of RMB2.5 million for Qilu Gate Building, and a decrease of RMB1.5 million in the re-recognised amount of the investment property for Qianning Building during the Reporting Period.

Investment in an Associate

The investment in an associate represents the Group's 41% equity interest 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. The investment increased from RMB140.2 million as at 31 December 2024 to RMB140.8 million as at 30 June 2025, primarily due to the profit of Tianjin Tianfu, and the investment calculated according to the shareholding ratio increased by RMB0.6 million.

Trade Receivables

Trade receivables mainly consist of fees receivable for property management services, property construction, and landscaping services. As at 30 June 2025, the Group's trade receivables amounted to RMB308.5 million, representing an increase of RMB49.6 million or 19.2% compared to RMB258.9 million as at 31 December 2024. This increase was primarily attributable to (i) the growth in the Group's revenue and business operation scale; and (ii) an increase in the credit periods required by government and public institution customers compared to the same period during 2024.

Prepayments and Other Receivables

Prepayments and other receivables include prepayments to suppliers, deposits, other receivables. Prepayments and other receivables increased from RMB25.7 million as at 31 December 2024 to RMB55.4 million as at 30 June 2025. The increase was mainly attributable to an increase of RMB23.4 million in prepayments, an increase of RMB4.1 million in other receivables, and an increase of RMB2.2 million in other current assets.

Trade Payables

As at 30 June 2025, the Group's trade payables amounted to RMB82.8 million, a decrease of RMB2.4 million or 2.8% compared to RMB85.2 million as at 31 December 2024.

Other Payables and Accruals

Other payables and accruals decreased from RMB122.4 million as at 31 December 2024 to RMB119.5 million as at 30 June 2025, mainly due to a decrease of RMB2.9 million in salaries, overtime pay, and bonuses in the first half of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Capital Structure

As at 30 June 2025, the Group's cash and cash equivalents amounted to RMB188.1 million (of which RMB3.12 million (31 December 2024: RMB25.7 million) is denominated in HKD and the rest in RMB) (31 December 2024: RMB166.8 million).

Total interest-bearing bank loans and other borrowings increased from RMB109.3 million as at 31 December 2024, to RMB183.9 million as at 30 June 2025. As at 30 June 2025, interest-bearing bank borrowings amounting to (i) RMB22.3 million (31 December 2024: RMB33.4 million) bear interest at an annual rate of 4.65% (2024: 4.65%) and are repayable within two years; (ii) RMB18.0 million (31 December 2024: RMB19 million) bear interest at an annual rate of 5.67% (2024: 5.67%) and are repayable within two years; (iii) RMB10.0 million (31 December 2024: RMB10 million) bear interest at an annual rate of 3.3% (2024: 3.3%) and are repayable within one year; (iv) RMB9.8 million (31 December 2024: RMB10 million) bear interest at an annual rate of 5.4% (2024: 5.4%) and are repayable within two years; (v) RMB30.0 million of new borrowings during the Reporting Period bear interest at an annual rate of 4% and are repayable within three years; (vi) RMB10.0 million of new borrowings bear interest at an annual rate of 3.3% and are repayable within one year; (vii) RMB10.0 million of new borrowings during the Reporting Period bear interest at an annual rate of 4.5% and are repayable within two years; (viii) RMB4.8 million of new borrowings during the Reporting Period bear interest at an annual rate of 4.0% and are repayable within one year; (ix) RMB10.0 million of new borrowings during the Reporting Period bear interest at an annual rate of 3.65% and are repayable within one year; (x) RMB20.0 million of new borrowings during the Reporting Period bear interest at an annual rate of 4.6% and are repayable within one year; (xi) RMB10 million of new borrowings during the Reporting Period bear interest at an annual rate of 3.8% and are repayable within one year; (xii) RMB27 million of new borrowings during the Reporting Period bear interest at an annual rate of 3.4% and are repayable within three years; and (xiii) RMB2.08 million of new borrowings during the Reporting Period bear interest at an annual rate of 3.95% and are repayable within one year. As at 30 June 2025, the gearing ratio (total interest-bearing borrowings divided by total equity) was approximately 49.0% (31 December 2024: 30.9%). As at 30 June 2025, the current ratio (total current assets divided by total current liabilities) was 1.8 (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 consists only of ordinary shares. As at the date of this report, 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 2025 mainly included expenditure on property and equipment, and investment properties, amounting to a total of RMB2.1 million (for the six months ended 30 June 2024: RMB4.9 million).

As at 30 June 2025, the Group had no capital commitments (31 December 2024: Nil).

Contingent Liabilities

As at 30 June 2025, the Group had no any significant contingent liabilities (31 December 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Cash Flow

For the six months ended 30 June 2025, the net cash used in operating activities was RMB45.4 million, mainly due to an increase in trade receivables and prepayments and other receivables. For the six months ended 30 June 2025, the net cash used in investing activities was RMB1.9 million, mainly due to the purchase of financial assets at FVTPL. For the six months ended 30 June 2025, the net cash from financing activities was RMB68.8 million, mainly due to an increase of interest-bearing bank borrowings.

Pledge of Assets

As at 30 June 2025, certificates of deposit of RMB4.0 million owned by the Group were pledged as security for bank loans of RMB18.0 million with an interest rate of 5.67% and repayable within two years (31 December 2024: RMB4.0 million owned by the Group were pledged as security for bank loans amounting to RMB19.0 million at an interest rate of 5.67% and repayable within two years). As at 30 June 2025, certificates of deposit of RMB30.0 million owned by the Group were pledged as security for bank loans of RMB27.0 million with an interest rate of 3.4% and repayable within three years. As at 30 June 2025, the property with an original value of RMB6.0 million and a net value of RMB4.0 million, owned by the Group, was pledged as security for bank loans of RMB20.0 million with an interest rate of 4.6% and repayable within one year.

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 2025, 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

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures. As at 30 June 2025, the Group did not hold any significant investments (including significant investments which accounted for 5% or more of the total assets of the Group).

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MAJOR INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed “Use of Proceeds from the Global Offering” in this report, the Group did not have any other immediate plans for material investment and capital assets as of the date of this report. 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 was listed on the Main Board of the Stock Exchange on 17 January 2023 with the global offering of ordinary shares of the Company, including a public offering in Hong Kong of 7,500,000 shares and an international offering of 67,500,000 shares, in each case at a price of HKD1.70 per share. After deducting the underwriting fees and relevant expenses, net proceeds from the Global Offering (including the number of shares issued and allotted pursuant to the partial exercise of over-allotment option) amounted to HKD89.9 million. Such proceeds is expected to be applied in the manner consistent with that in the Prospectus, the following table sets forth a breakdown of the utilisation and proposed utilisation of net proceeds as at 30 June 2025:

Purpose	Percentage of total amount	Planned allocation of net proceeds	Unutilized amount as at 31 December 2024	Utilized amount during the Reporting Period	As at 30 June 2025		Expected timetable for all balances to be used up
		HKD million (Approximately)	HKD million (Approximately)	HKD million (Approximately)	Utilized amount HKD million (Approximately)	Unutilized amount HKD million (Approximately)	
Strategic investments and acquisitions to expand property management business	54.3	48.8	48.8	0	0	48.8	Before the end of 2025
Developing, strengthening, and implementing information technology	28.0	25.2	16.0	1.6	10.8	14.4	Before the end of 2025
Improve employee incentive mechanisms to attract, cultivate, and retain talent	17.7	15.9	6.7	2.0	11.2	4.7	Before the end of 2025
	100.0	89.9	71.5	3.6	22.0	67.9	

The net proceeds unused are currently held as bank deposits and are intended to be used in the manner consistent with the proposed allocations in the Prospectus. For further information, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE AND COMPENSATION POLICY

As at 30 June 2025, the Group employed 12,178 employees (31 December 2024: 11,682). 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 2025, the total employee costs (including salaries, other employee benefits, and retirement plan contributions for directors and other employees of the Group) were RMB227 million (for the six months ended 30 June 2024: RMB234.6 million). The decrease in employee costs was primarily due to changes in the personnel structure and adjustments to the social insurance contribution base.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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**”).

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 report. 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 report.

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 report. The Company did not hold any treasury shares as of 30 June 2025.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period and up to the date of this report, 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 report, 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 report. The Company maintained the minimum level of public float of 25% of its total issued share capital.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2024 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.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility to ensure that sound risk management and internal control system is established and maintained within the Group, as well as its responsibility to review its effectiveness. Such system aims to manage and reduce the business risks faced by the Group to an acceptable extent, but not eliminating the risks of failure to achieve business objectives. Moreover, it can only provide reasonable, and not absolute, assurance against material misstatement, loss or fraud. The Company has established risk management procedures which comprise the following process:

- Risk identification: identify major and significant risks that could affect the achievement of goals of the Group;
- Risk evaluation and assessment: assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence; and
- Risk management and mitigation: develop effective control activities to mitigate the risks.

In particular, procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations. Risk identification and management is the responsibility of the management of the Group. As at 30 June 2025, no significant internal control deficiencies or major areas of concern have been identified.

The Board has authorised the Audit Committee to take charge of the on-going monitoring of the Group’s risk management and internal control system, as well as the annual review of its effectiveness. Such review covers all material control aspects, including financial control, operation control, and compliance control.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Group's internal control system includes a well-established organisational structure with clearly defined lines of responsibility and authority. The day-to-day departmental operations are entrusted to individual department which is accountable for its own conduct and performance and is required to operate its own department's business within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. Each department is also required to keep the Board informed of material developments of the department's business and implementation of the policies and strategies set by the Board on a regular basis. All departments conduct internal control assessment annually to identify potential risks that may impact the business operation of the Group. Self-evaluation has been conducted by checking key operational and financial processes, regulatory compliance, and information security. An internal audit department has been established to conduct risk management and internal audit of the Group. It performs risk-based audits to review the effectiveness of the Group's risk management and internal control systems so as to provide assurance that key business and operational risks are identified and managed. The work carried out by the internal audit department reports to the Audit Committee with its findings and makes recommendations at least twice a year.

During the Reporting Period, in connection with the Listing, the Board has reviewed the effectiveness of the Group's internal control and risk management systems and received the confirmation from the management in respect of the effectiveness of the Group's internal control and risk management systems to ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards. Accordingly, the Company considers the systems are effective and adequate. The review covered all material controls, including financial, operational and compliance controls and risk management functions. The management of the Company actively monitors the regional economy, trend of property management services industry, reliance on continuing connected transactions and changes in applicable laws and regulations, and assesses income and expenditure and absorptive capacity of business expansions. The recommendations submitted by independent consultant have been accepted by the Company and implemented in stages, to further enhance the policies, procedures and practices of its internal control and risk management.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group did not have any other significant event after 30 June 2025 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code under the Listing Rules, are set out below:

Director	Nature of interests	Number of issued Shares held	Percentage of interest
Mr. Luan Tao ⁽²⁾	Interest held jointly with another person	164,706,700	54.90%
Mr. Luan Hangqian ⁽²⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	164,706,700	54.90%
Mr. Yang Liquan ⁽³⁾	Interest in a controlled corporation	9,467,821	3.16%
Mr. Fei Zhongli ⁽⁴⁾	Interest in a controlled corporation	2,896,039	0.97%
Mr. Cheng Xin ⁽⁵⁾	Interest in a controlled corporation	5,569,306	1.86%

Notes:

- All the interests disclosed above represent long positions in the Shares.
- On 14 October 2024, Mr. Luan Hangqian informed that the transactions in relation to the establishment of an irrevocable discretionary family trust was completed. In which, Mr. Luan Hangqian is as the settlor for the benefit of Mr. Luan Hangqian, Mr. Luan Tao, Ms. Liang Yuefeng and the other close relatives of Mr. Luan Hangqian.

As 164,706,700 Shares (representing approximately 54.90% of the total number of the Shares) which were previously owned by Springrain Investment Limited have been transferred to Skywind Investment Limited, Skywind Investment Limited is owned as to 1% by Springrain Investment Limited and 99% by Sailing Investment International Limited while Sailing Investment International Limited is wholly owned by the CMB Wing Lung (Trustee) Limited as trustee of the trust. Mr. Luan Hangqian is also the sole director of Skywind Investment Limited. Mr. Luan Hangqian is deemed to be interested in the 164,706,700 Shares where Skywind Investment Limited is interested in under the SFO.

Pursuant to the concert parties confirmatory deed dated 18 June 2021, and entered into by Mr. Luan Hangqian, Mr. Luan Tao and Ms. Liang Yuefeng to acknowledge and reaffirm, amongst other things, that they were parties acting in concert in respect of the Company. As such, pursuant to the parties acting in concert arrangement, Mr. Luan Tao, Mr. Luan Hangqian and Ms. Liang Yuefeng are deemed to be interested in approximately 54.90% of the issued share capital of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

3. Shares in which Mr. Yang Liqun is interested consist of 9,467,821 Shares held by Yangliqun Ltd, a company wholly-owned by Mr. Yang Liqun, in which Mr. Yang Liqun is deemed to be interested under the SFO.
4. Shares in which Mr. Fei Zhongli is interested consist of 2,896,039 Shares held by Feizhongli run heart service Ltd, a company wholly-owned by Mr. Fei Zhongli, in which Mr. Fei Zhongli is deemed to be interested under the SFO.
5. Shares in which Mr. Cheng Xin is interested consist of 5,569,306 Shares held by Chengxin&Susan Ltd, a company wholly-owned by Mr. Cheng Xin, in which Mr. Cheng Xin is deemed to be interested under the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations, which (a) were recorded in the register required to be kept by the Company under section 352 of the SFO, or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as is known to the Company, as at 30 June 2025, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares:

Director	Nature of interests	Number of issued Shares held	Percentage of interest
Ms. Liang Yuefeng ⁽²⁾	Interest held jointly with another person	164,706,700	54.90%
Skywind Investment ⁽²⁾	Beneficial owner	164,706,700	54.90%
Sailing Investment International Limited ⁽²⁾	Interest in a controlled corporation	164,706,700	54.90%
CMB Wing Lung (Trustee) Limited ⁽²⁾	Trustee	164,706,700	54.90%
Jinan Huaiyin Urban Construction Investment Group Co., Ltd.* (濟南槐蔭城市建設投資集團有限公司) ⁽³⁾	Beneficial owner	25,178,000	8.39%

* For identification purpose only

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. All the interests disclosed above represent long positions in the Shares.
2. On 14 October 2024, Mr. Luan Hangqian informed that the transactions in relation to the establishment of an irrevocable discretionary family trust was completed. In which, Mr. Luan Hangqian is as the settlor for the benefit of Mr. Luan Hangqian, Mr. Luan Tao, Ms. Liang Yuefeng and the other close relatives of Mr. Luan Hangqian.

As 164,706,700 Shares (representing approximately 54.90% of the total number of the Shares) which were previously owned by Springrain Investment Limited have been transferred to Skywind Investment Limited, Skywind Investment Limited is owned as to 1% by Springrain Investment Limited and 99% by Sailing Investment International Limited while Sailing Investment International Limited is wholly owned by the CMB Wing Lung (Trustee) Limited as trustee of the trust. Mr. Luan Hangqian is also the sole director of Skywind Investment Limited. Mr. Luan Hangqian is deemed to be interested in the 164,706,700 Shares where Skywind Investment Limited is interested in under the SFO.

Pursuant to the concert parties confirmatory deed dated 18 June 2021, and entered into by Mr. Luan Hangqian, Mr. Luan Tao and Ms. Liang Yuefeng to acknowledge and reaffirm, amongst other things, that they were parties acting in concert in respect of the Company. As such, pursuant to the parties acting in concert arrangement, Mr. Luan Tao, Mr. Luan Hangqian and Ms. Liang Yuefeng are deemed to be interested in approximately 54.90% of the issued share capital of the Company.

3. Jinan Huaiyin Urban Construction Investment Group Co., Ltd.* (濟南槐蔭城市建設投資集團有限公司) is wholly-owned by Development and Reform Bureau of Huaiyin District, Jinan City* (濟南市槐蔭區發展和改革局).

Save as disclosed above, as at 30 June 2025, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

SHARE INCENTIVE SCHEMES

(i) Post-IPO Share Option Scheme

The Company adopted a share option scheme through written shareholders' resolution on 14 December 2022 (the "**Post-IPO Share Option Scheme**"). The Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Post-IPO Share Option Scheme is adopted and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless being terminated earlier by the Shareholders in general meeting. Accordingly, as at the date of this interim report, the remaining life of the Post-IPO Share Option Scheme is approximately seven years and three months.

Purpose

The purpose of the Post-IPO Share Option Scheme is to provide an incentive or reward for the grantees for their contribution or potential contribution to the Group.

Selected Participants

The Directors (which expression shall, for the purpose of this paragraph, include the Board or a duly authorised committee thereof) may, at their absolute discretion, invite (i) any director and employee of any member of the Group; and (ii) any director or employee of any of the holding companies, fellow subsidiaries or associated companies of the Company (the "**Participant**"), who the Board considers, in its sole discretion, have contributed or will contribute to the development and growth of the Group, to take up options to subscribe for Shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Maximum Number of the Shares

The maximum number of Shares in respect of which options and awards may be granted under the Post-IPO Share Option Scheme and any other schemes of the Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue immediately upon completion of the Global Offering and the capitalisation issue, which is 30,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of this report.

Maximum Entitlement of a Participant

Where any further grant of options to a Participant, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all options or awards granted and to be granted to such Participant (including exercised, cancelled and outstanding options) in any twelve (12) months period up to and including the date of such further grant exceed 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his close associates (or associates if the Grantee is a connected person) abstaining from voting.

Exercise price

The price per Share at which a Participant may subscribe for Shares upon exercise of an option (the “**Exercise Price**”) shall be determined by the Board in its sole discretion but in any event shall be at least the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets on the date of the offer of grant, which must be a business day;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of a Share; provided that for the purpose of determining the Exercise Price under subparagraph (ii) above where the Shares have been listed on the Stock Exchange for less than five Business Days preceding the date on which the option is offered to the Participant, the issue price of the Shares in connection with such listing shall be deemed to be the closing price of the Shares for each Business Day falling within the period before the listing of the Shares on the Stock Exchange.

A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of an option.

Time of vesting and exercise of options

An offer made to a participant shall remain open for acceptance by such participant for a period of five business days from the offer date (inclusive of the offer date). Any offer must be accepted in its entirety and can under no circumstances be accepted of less than the number of Shares for which it is offered.

An option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date on which an option is offered to a participant, subject to the provisions for early termination under the Post-IPO Share Option Scheme. In any event, the minimum period for which an option must be held before it can be exercised shall be 12 months.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Grant of Options

An offer shall be made to an Eligible Participant by an offer document in such form as the Board may from time to time determine (the “**Offer Document**”), requiring the participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Post-IPO Share Option Scheme.

An option shall be deemed to have been granted to (subject to certain restrictions in the Post-IPO Share Option Scheme), and accepted by, the Participant and to have taken effect upon the issue of an option certificate after the duplicate Offer Document comprising acceptance of the option duly signed by the Participant, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant of the option is received by the Company on or before the last day for acceptance set out in the Offer Document. The remittance is not in any circumstances refundable and shall be deemed as part payment of the Exercise Price. Once accepted, the option is granted as from the date on which it was offered to the Grantee.

No Options Granted under the Post-IPO Share Option Scheme

Between the Listing Date and up to the date of this report, no share options had been granted, exercised, cancelled or lapsed pursuant to the Post-IPO Share Option Scheme since its adoption and there is no outstanding share option under the Post-IPO Share Option Scheme. As at 1 January 2025 and 30 June 2025, the number of options available for grant under the Post-IPO Share Option Scheme were 30,000,000.

For details of the Post-IPO Share Option Scheme, please refer to the section headed “Statutory and General Information – D. Share Incentive Scheme – I. Post-IPO Share Option Scheme” in the Appendix V to the Prospectus.

(ii) Pre-IPO RSU Scheme

The Group adopted the pre-IPO restricted share unit scheme (the “**Pre-IPO RSU Scheme**”) on 14 December 2022 to incentivise employees and officers. The Company has appointed Tricor Trust (Hong Kong) Limited as the RSU Trustee to assist with the administration and vesting of restricted share units (“**RSU**”) granted pursuant to the RSU Scheme. The Company selects the RSU participants under the Pre-IPO RSU Scheme at its discretion before the Listing.

The Pre-IPO RSU Scheme shall be each valid and effective for a term of ten years commencing on the adoption date, being 14 December 2022. The vesting period for an award of RSUs shall be the fifth anniversary year after the grant of award of RSUs, or any other time as determined by the Board or an advisory committee appointed by the Board (the “**Advisory Committee**”). The vesting price shall be HK\$1.5 per awarded Share. The Board or the Advisory Committee shall have the right to adjust the vesting price from time to time. As at 30 June 2025, RSUs in respect of 5,569,306 underlying Shares (representing approximately 1.86% of the total issued shares as at the date of this report) had been granted to five RSU participants pursuant to the Pre-IPO RSU Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The following table shows the details of the RSUs granted by the Company under the Pre-IPO RSU Scheme on an individual basis:

Name	Position held within the Group	Number of underlying Shares represented by the RSUs	Date of grant	Approximate percentage shareholding as at the date of this report	Vesting period
Cui Yongsheng (崔永生)	Officer for the office of the board of directors of Shandong Runhua Property Management Co., Ltd. * (山東潤華物業管理有限公司 (“Shandong Runhua”))	1,113,862	20 December 2022	0.37%	5 years from the date of grant
Yu Xue (于雪)	General manager of finance department of Shandong Runhua	1,113,861	20 December 2022	0.37%	5 years from the date of grant
Li Zhigang (李智剛)	Head of human resources department of Shandong Runhua	1,113,861	20 December 2022	0.37%	5 years from the date of grant
Yu Sumin (于蘇敏)	Head of quality assurance department of Shandong Runhua	1,113,861	20 December 2022	0.37%	5 years from the date of grant
Wang Yating (王雅婷)	Deputy general manager and head of operation and risk control management centre of Shandong Runhua	1,113,861	20 December 2022	0.37%	5 years from the date of grant

None of the grantees of the RSUs under Pre-IPO RSU Scheme are Directors, members of the senior management of the Company or otherwise core connected person of the Company.

For details of the Pre-IPO RSU Scheme, please refer to the section headed “Statutory and General Information – D. Share Incentive Scheme – II. Pre-IPO RSU Scheme” in the Appendix V to the Prospectus.

During the Reporting Period, no Share may be issued in respect of options and RSUs granted under the Post-IPO Share Option Scheme and the Pre-IPO RSU Scheme. Accordingly, the number of shares that may be issued in respect of the options and awards granted under the Post-IPO Share Option Scheme and the Pre-IPO RSU Scheme during the Reporting Period divided by weighted average number of Shares in issue for the Reporting Period is nil.

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	4	441,387	407,475
Cost of services		(378,956)	(346,223)
Gross profit		62,431	61,252
Other income and gains and expenses, net	4	5,681	2,910
Sales and distribution expense		(735)	(1,044)
Administrative expenses		(35,759)	(34,417)
Finance costs	6	(4,456)	(4,246)
Share of profit of an associate		564	(117)
PROFIT BEFORE TAX	5	27,726	24,338
Income tax expense	7	(6,007)	(6,875)
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		21,719	17,463
PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		21,723	17,558
Non-controlling interests		(4)	(95)
		21,719	17,463
EARNINGS PER SHARE			
Basic and diluted	9	RMB0.07	RMB0.06

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Property and equipment	10	20,404	21,239
Investment properties	11	63,589	74,539
Other intangible assets		1,635	1,834
Investment in an associate		140,780	140,216
Other receivables		–	2,300
Deferred tax asset		15,861	8,493
TOTAL NON-CURRENT ASSETS		242,269	248,621
CURRENT ASSETS			
Inventories		573	136
Trade and bill receivables	13	308,489	258,893
Contract assets		21,478	28,867
Prepayments and other receivables		55,427	25,651
Restricted deposits		4,981	6,045
Cash and cash equivalents	14	188,078	166,834
TOTAL CURRENT ASSETS		579,026	486,426
CURRENT LIABILITIES			
Trade payables	15	82,760	85,177
Other payables and accruals		119,532	122,407
Interest-bearing borrowings		102,181	56,493
Lease liabilities	12	16,061	15,390
Tax payable		8,968	12,201
TOTAL CURRENT LIABILITIES		329,502	291,668
NET CURRENT ASSETS		249,524	194,758
TOTAL ASSETS LESS CURRENT LIABILITIES		491,793	443,379

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		81,700	52,843
Lease liabilities	12	25,879	35,289
Deferred tax liabilities		8,896	1,910
TOTAL NON-CURRENT LIABILITIES		116,475	90,042
NET ASSETS		375,318	353,337
EQUITY			
Share capital	16	205	205
Reserves		374,922	352,937
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		375,127	353,142
NON-CONTROLLING INTERESTS		191	195
TOTAL EQUITY		375,318	353,337

Yang Liqun
Director

Fei Zhongli
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Equity attributable to owners of the parent											
	Paid-in capital/ share capital RMB'000	Shares planned to be held by restricted stock units scheme* RMB'000	Share premium reserve* RMB'000	Share based payment reserve* RMB'000	Merge reserve* RMB'000	Statutory reserve* RMB'000	Retained profits* RMB'000	Other reserves* RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	(Note 16)										
On 1 January 2025 (Audited)	205	(1,200)	98,211	12,761	31,214	22,651	188,881	419	353,142	195	353,337
Profit for the period	-	-	-	-	-	-	21,723	-	21,723	(4)	21,719
Total comprehensive income (expense) for the period	-	-	-	-	-	-	21,723	-	21,723	(4)	21,719
Equity-settled share-based compensation	-	-	-	262	-	-	-	-	262	-	262
On 30 June 2025 (Unaudited)	205	(1,200)	98,211	13,023	31,214	22,651	210,604	419	375,127	191	375,318

(Note 16)

For the six months ended 30 June 2025

Equity attributable to owners of the parent

* These reserve accounts comprise the consolidated reserves of RMB374,922,000 (30 June 2024: RMB362,112,000) in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	30 June 2024 (Unaudited) RMB'000
OPERATING ACTIVITIES			
Profit before tax		27,726	24,338
Adjustments for:			
Finance costs	6	4,456	4,246
Share of profit of an associate		(564)	117
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")			
Bank interest income	4	(135)	(341)
Interest income from financial assets	4	(36)	(41)
Depreciation of property and equipment	5	2,710	2,682
Depreciation of investment properties	5	9,428	9,603
Amortisation of other intangible assets	5	199	207
Net loss on disposal of items of property and equipment	4	–	24
(Reversal of) provision for impairment of trade receivables	5	(312)	(1,496)
Equity-settled share award expenses	5	262	2,225
Foreign exchange difference, net	4	272	(2,144)
Operating cash flows before movements in working capital		44,006	39,421
Decrease in restricted deposits		(1,064)	3,751
Increase in contract assets		7,389	4,391
Decrease (increase) in inventories		(437)	(72)
Increase in trade receivables		(49,596)	(40,638)
Increase in prepayments and other receivables		(29,776)	(9,727)
Increase (decrease) in trade payables		(2,417)	(5,162)
Increase in other payables and accruals		(2,255)	(30,837)
Cash from (used in) operations		(34,150)	(38,873)
Bank interest income	4	135	341
Income tax paid		(11,367)	(8,737)
Net cash from (used in) operating activities		(45,382)	(47,269)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		30 June 2025 (Unaudited) RMB'000	30 June 2024 (Unaudited) RMB'000
	Notes		
INVESTING ACTIVITIES			
Purchase of items of property and equipment		(2,083)	(3,157)
Proceeds from disposal of items of property and equipment		179	224
Purchase of investment properties			(1,782)
Purchase of financial assets at FVTPL		24,500	50,000
Proceeds from disposal of financial assets at FVTPL		(24,500)	(50,000)
Interest from financial assets	4	36	41
Net cash used in investing activities		(1,868)	(4,674)
FINANCING ACTIVITIES			
Repayment of interest-bearing bank borrowings		(42,350)	(28,100)
New interest-bearing bank borrowings		123,831	20,000
Principal portion of lease payments		(8,259)	(7,771)
Interest paid	6	(4,456)	(4,246)
Net cash from (used in) financing activities		68,766	(20,117)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of period		166,834	195,337
The impact of exchange rate fluctuations		(272)	2,144
Cash and cash equivalents at the end of period		188,078	125,420
Analysis of cash and cash equivalents balance			
Cash and cash equivalents presented in the interim condensed consolidated statement of financial position	14	188,078	125,420
Cash and cash equivalents presented in the interim condensed consolidated statement of cash flow		188,078	125,420

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 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 directors 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 interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024.

2.2 APPLICATION OF AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2025:

Amendments to HKAS 21

Lack of exchangeability

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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.

Six months ended 30 June 2025	Property management services (Unaudited) RMB'000	Property engineering and landscape construction services (Unaudited) RMB'000	Leasing services from investment properties (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2024	Property management services (Unaudited) RMB'000	Property engineering and landscape construction services (Unaudited) RMB'000	Leasing services from investment properties (Unaudited) RMB'000	Others (Unaudited) RMB'000	Elimination of intersegment sales (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue (note 4)						
Sales to external customers	379,581	6,876	13,576	7,442	–	407,475
Intersegment sales	–	3	–	–	(3)	–
	379,581	6,879	13,576	7,442	(3)	407,475
Segment results	20,416	404	4,284	687	–	25,791
Reconciliation						
Other income and gains and expenses, net						2,910
Share of result of an associate						(117)
Finance costs						(4,246)
Profit before tax						24,338

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15	433,089	393,899
Revenue from other sources:		
Gross rental income from investment properties operating leases	8,298	13,576
	441,387	407,475

Revenue from contracts with customers

(a) Disaggregated revenue information

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Types of services		
Property management services	415,758	379,581
Property engineering services and landscape construction services	16,089	6,876
Others	1,242	7,442
Total revenue from contracts with customers	433,089	393,899
Timing of revenue recognition		
Services transferred overtime	433,089	393,899

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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

Revenue from contracts with customers (Continued)

(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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income		
Government grants*	5,034	88
Bank interest income	135	341
Interest income from financial assets	36	41
	5,205	470
Gains and expenses		
Foreign exchange difference, net	(272)	2,144
Net loss on disposal of items of property and equipment	–	(24)
Gain on early termination of lease contract	–	–
Others	748	320
	476	2,440
	5,681	2,910

* 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of services provided*	213,067	139,791
Depreciation of property and equipment	2,710	2,682
Depreciation of investment properties	9,428	9,603
Amortisation of intangible assets**	199	207
Employee benefit expenses (including directors' and chief executive's remuneration)		
Wages and salaries	207,569	213,901
Pension scheme contributions	19,235	20,707
Equity-settled share award expenses	262	2,225
(Reversal of) provision for impairment of trade receivables	(312)	(1,496)

* 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 period.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on interest-bearing bank borrowings	3,414	2,929
Interest on lease liabilities	1,042	1,317
	4,456	4,246

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PRC enterprise income tax ("EIT")		
Current tax	6,390	7,245
Under provision in prior years	–	279
Deferred tax	(383)	(649)
Total	6,007	6,875

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

7. INCOME TAX EXPENSE (Continued)

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 2025 and 2024 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.

According to the Announcement of the Ministry of Finance and the State Taxation Administration 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 2024, 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 2024, 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 during the period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

8. INTERIM DIVIDENDS

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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 294,430,694 (30 June 2024: 300,000,000), representing the weighted average number of ordinary shares of the Company immediately after the capitalisation issue (as explained in note 16), as if all these shares had been in issue throughout the periods ended 30 June 2024 and 2025.

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	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings:		
Profit attributable to ordinary equity holders of the parent	21,723	17,558
	Six months ended 30 June	
	Number of Shares	
	2025	2024
Shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic and diluted earnings per share calculation	294,430,694	300,000,000
Earnings per share		
Basic and diluted (RMB)	0.07	0.06

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

10. PROPERTY AND EQUIPMENT

As at 30 June 2025, the cost of assets purchased by the Group was RMB2,083,000 (30 June 2024: RMB3,157,000).

For the six months ended 30 June 2025, the Group sold assets with a net book value of RMB179,000 (30 June 2024: RMB248,000), resulting in a net loss of RMBnil (30 June 2024: net profit of RMB24,000) from the sale.

11. 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 2025, the carrying amount of the investment property subleased or intended to be subleased was RMB45,638,000 (30 June 2024: RMB58,206,000).

As at 30 June 2025, the Group had not obtained the ownership certificates for certain car parking lots with a net book value of approximately RMB7,824,127 (30 June 2024: RMB8,126,000).

At the end of the Reporting Period, the fair value of the Group's investment properties was approximately RMB73,877,700 (30 June 2024: RMB97,298,000).

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

12. LEASES

The Group as a lessee

The Group has lease contracts for commercial buildings and car parks. Leases of commercial buildings and car parks generally have lease terms between 1 year and 9 years.

(a) Lease liabilities

During the period, the carrying amount and changes of lease liabilities are as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Book value at the beginning of the period	50,679	65,480
Interest increase confirmed during the period	1,042	1,317
Lease term revision resulting from changes in the irrevocable lease period	(1,522)	(7,982)
Payment	(8,259)	(7,771)
Leases newly added in this period	–	6,738
Book value at the end of the period	41,940	57,782
Spot portion	16,061	27,295
Non-spot portion	25,879	30,488
	41,940	57,782

The Group has applied practical and expedient methods to all eligible rental discounts granted to lessors for leasing certain properties during the period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

12. LEASES (Continued)

The Group as a lessee (Continued)

(b) The amounts recognised in profit or loss in relation to leases are as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on lease liabilities	1,042	1,317
Depreciation of investment properties	9,428	9,603
Expense relating to short-term leases	23	48
Total amount recognised in profit or loss	10,493	10,968

13. TRADE AND BILL RECEIVABLES

	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade receivables	309,061	261,034
Bill receivables	1,984	727
	311,045	261,761
Impairment	(2,556)	(2,868)
	308,489	258,893

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. TRADE AND BILL RECEIVABLES (Continued)

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 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 1 year	284,142	241,704
1 to 2 years	11,546	9,193
Over 2 years	10,817	7,269
	306,505	258,166

14. CASH AND CASH EQUIVALENTS, AS WELL AS RESTRICTED DEPOSITS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Cash and bank balances	193,059	172,879
Reduce:		
Restricted fixed-term deposits	(4,981)	(6,045)
Cash and cash equivalents	188,078	166,834

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

15. TRADE PAYABLES

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 3 months	70,808	74,134
3 to 6 months	169	3,968
6 months to 1 year	4,136	2,391
Over 1 year	7,647	4,684
Total	82,760	85,177

16. SHARE CAPITAL

Shares	30 June 2025 (Unaudited)	31 December 2024 (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 2025, the total number of ordinary shares issued by the Company was 300,000,000 (31 December 2024: 300,000,000), which included 5,569,306 (2024: 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.

17. CONTINGENT LIABILITIES

At the end of the Reporting Period, the Group had no undisclosed contingent liabilities.

18. COMMITMENT ISSUES

At the end of the Reporting Period, the Group did not have any significant commitment issues.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTION

Mr. Luan Tao, Mr. Luan Hangqian, and Ms. Liang Yuefeng have entered into a concerted action personnel agreement, whereby they acknowledge and confirm that they have been taking concerted action in exercising their rights as shareholders of Runhua Living Service Group Holdings Limited prior to entering into the agreement, and agree to continue doing so in the future. In case of any disagreement between Mr. Luan Hangqian and Ms. Liang, Mr. Luan Tao's decision shall prevail.

Mr. Luan Tao

Controlling shareholder

Ms. Liang Yuefeng

Wife of controlling shareholder

Mr. Luan Hangqian

Son of controlling shareholder

(a) The transactions between our Group and related parties are as follows:

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Note		
Services provided to related parties			
<i>Property management provided</i>			
The entity controlled by Mr. Luan Tao	(i)	4,583	3,858
The entity controlled by Mr. Luan Hangqian	(i)	1,788	2,379
The entities controlled by Mr. Luan Tao and Mr. Luan Hangqian	(i)	124	28
		6,495	6,265
<i>Provide property engineering services and landscaping construction services</i>			
The entity controlled by Mr. Luan Hangqian	(i)	3,758	179
The entity controlled by Mr. Luan Tao	(i)	259	437
Tianjin Tianfu		123	–
		4,140	616
<i>Rental services provided</i>			
The entity controlled by Mr. Luan Tao	(i)	85	–
<i>Other</i>			
Tianjin Tianfu	(i)	–	11
The entity controlled by Mr. Luan Tao	(i)	90	–
		90	11
		10,810	6,892

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTION (Continued)

(a) The transactions between our Group and related parties are as follows:
(Continued)

		Six months ended 30 June 2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	Note		
Purchase from related parties			
<i>Accept leasing services</i>			
The entity controlled by Mr. Luan Tao	(i)	628	734
The entity controlled by Ms. Liang Yuefeng	(i)	–	–
Subtotal		628	734
<i>Accept services</i>			
The entity controlled by Mr. Luan Tao	(i)	39	7
The entity controlled by Mr. Luan Hangqian	(i)	47	–
Subtotal		86	7
Total		714	741

(i) The above service fees and prices for other transactions are determined based on similar terms provided to third-party customers.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTIONS (Continued)

(b) Salary of the main management personnel of the Group

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Salary, allowances, and benefits in kind	1,120	1,272
Equity-settled share award expenses	262	2,225
Pension scheme contributions	99	58
	1,481	3,555

(c) Outstanding balance of related parties

	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Due from Related parties		
<i>Trade receivables</i>		
The entity controlled by Mr. Luan Hangqian	47,051	41,196
The entity controlled by Mr. Luan Tao	3,741	955
The entity controlled by Ms. Liang Yuefeng	276	–
The entities controlled by Mr. Luan Tao and Mr. Luan Hangqian	2	–
	51,070	42,151
<i>Contract assets</i>		
The entity controlled by Mr. Luan Hangqian	13,032	12,593
The entity controlled by Ms. Liang Yuefeng	–	96
	13,032	12,689

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balance of related parties (Continued)

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Accounts payable to related parties		
<i>Trade payables</i>		
The entity controlled by Mr. Luan Tao	18,005	24,096
The entity controlled by Mr. Luan Hangqian	5	611
Sub-total	18,010	24,707
<i>Contract liabilities</i>		
The entity controlled by Mr. Luan Tao	1	2
The entity controlled by Mr. Luan Hangqian	286	292
Sub-total	287	294
<i>Other payables</i>		
The entity controlled by Mr. Luan Tao	–	6,053
The entity controlled by Mr. Luan Hangqian	498	498
The entity controlled by Ms. Liang Yuefeng	8,921	8,921
Sub-total	9,419	15,472

The balance is unsecured, interest free, and has no fixed repayment term.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted deposits, trade receivables, financial assets included in other receivables, short-term interest-bearing borrowings, trade payables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Management evaluates the fair values of non-current portion of other receivables, interest-bearing borrowings by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value of non-current portion of other receivables is insignificant, the non-current portion of borrowings bearing interest at floating rates approximate to their carrying amounts, as the carrying amounts are discounted using the relevant effective interest rates floated yearly which approximated to the prevailing borrowing rate.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

Fair value hierarchy

The carrying amounts and fair values of the Group's non-current financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amount		Fair value	
	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Financial assets				
Other receivables and other assets, non-spot portion	—	2,300	—	2,300
Financial liabilities				
Interest-bearing bank loans	81,700	52,843	81,700	52,843

The finance department of the Group is responsible for formulating policies and procedures for fair value management of financial instruments. The finance department of the Company reports directly to the Chief Financial Officer (CFO) and the board of directors. On each reporting date, the Company's finance department analyses the changes in the value of financial instruments and determines the main input data used for valuation. The valuation is reviewed and approved by the CFO. The valuation process and results will be discussed with the board of directors for annual financial reporting.

The fair value of financial assets and liabilities is recorded based on the tradable amount of the instrument in the current transaction of the voluntary counterparty (excluding forced or liquidation sales).

As at 30 June 2025 and 31 December 2024, the Group did not hold any liabilities measured at fair value.

During this period, in terms of financial assets and financial liabilities, there were no conversions between level 1 and level 2 of fair value measurement, nor were there any transfers in or out of level 3 (as at 30 June 2024: Nil).

21. SUBSEQUENT EVENTS

After the end of the Reporting Period, there were no significant subsequent events.