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

**CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING
AND EXTENSION OF EXPECTED TIMETABLE
FOR USE OF PROCEEDS**

References are made to (i) the prospectus of Runhua Living Service Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 December 2022 (the “**Prospectus**”) in relation to the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited (the “**Listing**”), which detailed, among other things, the proposed use of the net proceeds to the Company from the global offering (the “**Global Offering**”) of the Company (the “**Net Proceeds**”); and (ii) the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report**”), in which the utilization of the Net Proceeds up to 30 June 2025 was disclosed.

Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Interim Report.

USE OF PROCEEDS

As disclosed in the section headed “FUTURE PLANS AND USE OF PROCEEDS” in the Prospectus, the Company proposed to utilise the proceeds from the Listing for the following purposes:

- (a) Approximately 54.3% of the Net Proceeds would be used for making strategic investments and acquisitions to expand our property management business;
- (b) Approximately 28.0% of the Net Proceeds would be used for developing, strengthening and implementing the information technologies; and
- (c) Approximately 17.7% of the Net Proceeds would be used for improving staff motivation mechanism to attract, cultivate and retain talents.

The Net Proceeds from the Listing were approximately HK\$89.9 million (after deduction of underwriting commissions and related costs and expenses).

CHANGE IN USE OF NET PROCEEDS AND EXTENSION OF EXPECTED TIMETABLE FOR USE OF PROCEEDS

As at the date of this announcement, the unutilised Net Proceeds amounted to approximately HK\$62.2 million (the “**Unutilised Net Proceeds**”). In view of the reasons stated in the section headed “REASONS FOR AND BENEFITS OF CHANGE IN USE OF UNUTILISED NET PROCEEDS AND EXTENSION OF EXPECTED TIMETABLE FOR USE OF PROCEEDS” of this announcement, on 31 December 2025, the board (the “**Board**”) of directors (the “**Directors**”) of the Company resolved to change the use of the Unutilised Net Proceeds. An analysis of the utilisation of the Net Proceeds as at the date of this announcement and the revised change in the use of the Unutilised Net Proceeds is set out as below:

Planned use of Net Proceeds as stated in the Prospectus	Planned allocation of Net Proceeds as disclosed in the Prospectus <i>HK\$ million</i>	Utilised Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Unutilised Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Revised application of the Unutilised Net Proceeds <i>HK\$ million</i>	Updated expected timeline for utilising the Unutilised Net Proceeds
Strategic investments and acquisitions to expand property management business	48.8	–	48.8	–	–
Exploring potential investment opportunities, including strategic cooperation, acquisitions, increasing the capital of the subsidiaries, and establishing new subsidiaries for the purpose of expanding the Company’s business scope and scale	–	–	–	20.0	Before the end of 2028
Developing, strengthening and implementing the information technologies	25.2	13.5	11.7	15.0	Before the end of 2028
Improving staff motivation mechanism to attract, cultivate and retain talents	15.9	11.9	4.0	16.0	Before the end of 2028
Expanding business in different regions	–	–	–	13.5	Before the end of 2028
Total	<u>89.9</u>	<u>25.4</u>	<u>64.5</u>	<u>64.5</u>	

The Unutilised Net Proceeds are expected to be fully utilised before the end of 2028 in accordance with the expected timeline as set out above. Such expected timeline is based on the estimation made by the Group which might be subject to changes in accordance with the change in market conditions from time to time.

REASONS FOR AND BENEFITS OF CHANGE IN USE OF UNUTILISED NET PROCEEDS AND EXTENSION OF EXPECTED TIMETABLE FOR USE OF PROCEEDS

The Board believes that the proposed change is conducive to improving the efficiency of the use of Unutilised Net Proceeds, enabling the Group to maintain flexibility and liquidity under ever-changing market conditions, and providing financial support for potential new opportunities or challenges.

After assessing the current market condition, the Directors are of the view that it may not be the best option to utilise the Net Proceeds for the construction of a new manufacturing facility, warehouse and other supporting facilities on the land parcel the Group acquired by using internal resources, having considered that (i) the current period is not the optimal timing for the strategic investments and acquisitions to expand property management business; (ii) the Company intends to 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. The Company is not only exploring the investment and cooperation opportunities in the property management services markets, but also exploring such possibilities across different industries, including exploring the investment and cooperation opportunities in elderly care, AI and robotics in the property management services of the hospitals properties, as well as exploring investment and cooperation opportunities in robotics and low-altitude aircraft in the property management services of the public transportation properties; (iii) talent is one of the most valuable assets of the Company, the Company has always attached great importance to talent reserve. In addition to deepening the presence in Shandong region, the Company has also expanded the business to the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Pearl River Delta and western regions of China. Meanwhile, the Company has increased efforts to recruit talents of diverse backgrounds, so as to empower the Company's business development and the exploration of new business opportunities; and (iv) the Company plans to intensify market development and expand the business in different regions across the country. Therefore, in order to better utilise the Group's financial resources, the Group intends to adjust its plan to reallocate the Unutilised Net Proceeds.

In light of the above, the Board considers that the reallocation of the remaining Unutilised Net Proceeds would allow the Group to utilise its financial resources in a more flexible, beneficial and effective way. The Board is also of the view that the reallocation will allow the Group to meet its operational needs and provide more buffer to cope with the economic uncertainties in the future.

The Board believes that the reallocation of the Unutilised Net Proceeds is in line with the current business strategy of the Group and will not have any material impact on the operations and business of the Group. The Board considers the reallocation of the Unutilised Net Proceeds is fair and reasonable as it will enable the Group to deploy its financial resources more effectively to improve the profitability of the Group and is therefore in the interests of the Group and the Shareholders as a whole.

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.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Runhua Living Service Group Holdings Limited
Yang Liqun
Chairman and executive Director

Hong Kong, 31 December 2025

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