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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE CHANGE IN USE OF PROCEEDS
FROM THE GLOBAL OFFERING AND EXTENSION OF
EXPECTED TIMETABLE FOR USE OF PROCEEDS**

Reference 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**”); (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; and (iii) the announcement of the Company dated 31 December 2025 (the “**Announcement**”).

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

The Board wishes to supplement the following information in relation to the change in use of proceeds from the Global Offering as set out in the Announcement.

SUPPLEMENTAL INFORMATION REGARDING THE BASIS OF UNUTILIZED NET PROCEEDS REALLOCATION

Alignment with business plan in Prospectus

As at the date of this announcement, the unutilised Net Proceeds amounted to approximately HK\$62.2 million (the “**Unutilised Net Proceeds**”). The Board believes that the change in use of Unutilised Net Proceeds as set out in the Announcement is in line with the business plan, strategy and direction of the Company as set out in the Prospectus as the reallocation of part of the Unutilised Net Proceeds from “Strategic investments and acquisitions to expand property management business” 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” will help facilitate the Company’s vision and drive demand for services provided by the Group.

1. Work performed by the Company to ensure the Net Proceeds could be used as its intended uses

Since the Company’s Listing, the Company has systematically performed the following work to ensure the Net Proceeds could be used as its intended uses for strategic investments and acquisitions to expand property management business.

- (1) Established a dedicated cross-functional investment committee, comprising senior executives with expertise in property management operations, capital markets and legal compliance, to oversee the allocation and utilization of Net Proceeds, ensuring all investment decisions align with the Company’s strategic objectives and regulatory requirements.
- (2) Constructed a robust full-cycle investment management system covering target screening, preliminary evaluation, on-site due diligence, valuation modeling, negotiation execution and post-acquisition integration, with clear thresholds for project selection to prioritize high-quality targets with stable cash flows and strong synergies.
- (3) Conducted in-depth market research and mapping of the property management sector across key regions, including Shandong Province, the Yangtze River Delta and the Beijing-Tianjin-Hebei region, focusing on non-residential segments, such as hospital properties, public infrastructure and commercial complexes that align with the Company’s core competencies.

- (4) Screened several potential target enterprises, completed on-site due diligence on several candidates for the type of the non-residential property.
- (5) Entered substantive negotiation stages with one target enterprise, conducting multiple rounds of in-depth discussions on core terms including equity purchase price, performance commitment clauses, business synergy implementation plans and management team retention arrangements.
- (6) Enhanced internal capability building to support post-acquisition integration, including training programs for the investment and operations teams on cross-regional management, standardized service systems and brand integration, laying a solid foundation for the successful absorption of acquired businesses.

Although the above work did not result in the final conclusion of investment or acquisition agreements, it has enabled the Company to accumulate rich industry resources and the experience of the investments and acquisitions, laying a solid foundation for subsequent investment decisions.

2. *Sequence of events and the specific changes in circumstances which led to the Change of Net Proceeds*

The changes in the intended use of Net Proceeds have been driven by the combined impact of industry environment shifts and practical operational adjustments following the Company's Listing. The chronological sequence of key events and specific circumstance changes are as follows:

- (1) Subsequent to the Company's Listing on 17 January 2023, the domestic property management industry witnessed an adjustment, with a noticeable decline in the number of high-quality acquisition targets that meet the Company's strategic criteria.
- (2) During the period from 2023 to 2025, relevant regulatory policies on the property market were updated, which affected the progress of the original investment and acquisition plan.

- (3) During the period from 2023 to 2025, the Company's management and investment team conducted numerous searches and negotiations for mergers and acquisitions, and performed due diligence on several target companies. However, the Company found that the actual operating conditions and asset quality of some candidates did not match the preliminary evaluation results.
- (4) In light of the above industry headwinds and the impracticality of the original M&A plan, the board of directors of the Company held a special meeting in December 2025. After comprehensive evaluation of the Company, the Board therefore approved the reallocation of the Unutilised Net Proceeds.

3. *Detailed business plan in its expansion of business*

The Company has adhered to the strategic orientation of “deepening non-residential property services and expanding high-quality regional markets” since its Listing. Taking into account the changes in the industry environment and the adjustment of the intended use of IPO proceeds, the Company has formulated a phased and actionable business expansion plan. The detailed plan is set out below:

(1) Core Strategic Orientation of Business Expansion

The Company's business expansion will focus on three core directions: first, deepening the layout of competitive non-residential property segments, including hospital properties, public properties and commercial complexes; second, advancing regional expansion with Shandong Province as the base and radiating to the Yangtze River Delta and Beijing-Tianjin-Hebei regions; third, promoting service intelligence upgrading to drive efficiency improvement and value enhancement. The overall objective is to further consolidate the Company's leading position in the Shandong property management market and gradually build a nationally influential non-residential property service brand.

(2) *Detailed Measures for Business Expansion*

A. Deepening the Layout of Non-Residential Property Segments

Non-residential property management, as the core advantageous business of the Company, contributed 91.5% of the total property management service revenue in 2024. The Company will further expand and deepen this segment through the following measures:

a. Hospital Property Services:

Leveraging the Company's existing experience in hospital property management, the Company will provide professional services covering medical logistics support, facility maintenance and environmental management.

To further expand the scale of the hospital property management business and enhance market competitiveness, the Company will advance business development efforts across multiple dimensions.

First, we will establish a dedicated professional team for hospital property services. This team will undergo systematic training tailored to the unique requirements of hospital environments, with a specific focus on strengthening core competencies such as medical support services and infection control management. This ensures the service team is precisely equipped to meet the high operational standards demanded by hospitals.

Second, we will actively expand cooperation channels. On one hand, we will broaden our service coverage by participating in public hospital tenders and establishing strategic cooperation with private hospitals. On the other hand, we will deepen cooperation with existing partner hospitals. We will extend our services beyond basic property management to provide full-chain medical logistics support. This expansion will cover value-added services such as medical supply distribution, standardized medical waste disposal, and specialized support for critical departments (e.g., operating rooms and ICUs).

Furthermore, the Company will drive the digital transformation and smart upgrading of hospital property services. The Company will introduce equipment such as intelligent inspection robots and medical logistics delivery robots, and build a proprietary Smart Property Service Management Platform. This platform will enable real-time monitoring of equipment status, rapid response to service requests, and data-driven traceability of service quality. Through these intelligent measures, we aim to improve service efficiency and quality, thereby strengthening our core competitiveness in the hospital property management sector.

b. Transportation Properties and Public Properties Projects:

Seizing the policy opportunities brought by urban renewal and smart city construction, the Company will actively participate in the operation and management of public infrastructure, such as municipal public areas, transportation hubs and industrial parks. The Company will focus on bidding for transportation property and public property projects in key cities in Shandong Province. Meanwhile, the Company will explore the integrated service model of “property management + urban operation” to expand the business boundary.

c. Commercial Property Services:

Targeting commercial complexes and office buildings in the core business districts of key cities, the Company will provide customized property services including business operation support, intelligent parking management and customer relationship maintenance. It will establish a professional commercial property service team and cooperate with commercial real estate developers to achieve resource sharing and win-win development, with the goal of adding several high-quality commercial property projects within two years.

B. Phased Regional Expansion Plan

Adhering to the strategy of “rooted in Shandong and radiating nationwide”, the Company will carry out regional expansion in a steady and orderly manner:

a. Consolidating the market in Shandong Province

Firstly, the Company will further improve its market coverage in Shandong Province, focusing on increasing its market share in underdeveloped areas. Secondly, the Company will strengthen cooperation with local governments and large state-owned enterprises in Shandong to secure more high-quality property projects through government procurement and strategic cooperation.

b. Radiating to the Yangtze River Delta, Beijing-Tianjin-Hebei Regions and the Western Region

The Company will allocate more resources to the property management markets in the Yangtze River Delta, Beijing-Tianjin-Hebei regions and the Western Region and will focus on selecting local high-quality non-residential property management enterprises with stable cash flow and business synergy for cooperation.

C. Promoting Intelligent Upgrading and Service Innovation

To adapt to the development trend of the intelligent property management industry, the Company will allocate more resources to the intelligent system upgrading and service model innovation.

a. Construction of Smart Property Management Platform:

The Company will continue to improve the property management platform covering facility monitoring, intelligent security, customer service and data analysis, which will realize the digital management of the entire process of property services.

b. Application of Intelligent Equipment:

The Company will actively introduce the more intelligent equipment such as service robots, intelligent access control and unmanned inspection equipment to improve service efficiency and quality.

c. Development of Value-Added Services:

Based on existing customer resources, the Company will develop diversified value-added services such as home care, property maintenance and community retail.

(3) *Guarantee Measures for the Implementation of the Expansion Plan*

A. Team Building and Talent Support

The Company will strengthen the construction of professional teams and establish a sound talent recruitment and training system. It will recruit senior management personnel and professional and technical personnel with experience in non-residential property management and regional market expansion from the industry, and conduct regular professional training for existing employees covering service skills, intelligent system operation and regional market characteristics. Meanwhile, the Company will improve the incentive mechanism to attract and retain outstanding talents, providing intellectual support for business expansion.

B. Brand Building and Cooperation Alliances

The Company will continue to strengthen brand building, improve service quality and customer satisfaction, and enhance brand influence in the non-residential property management field. The Company will actively cooperate with upstream and downstream enterprises in the industry, such as intelligent equipment suppliers, to establish strategic cooperation alliances, realize resource sharing and complementary advantages, and provide strong support for the smooth implementation of the business expansion plan.

4. *Proposed opportunities in elderly care, AI and robotics, and low-altitude aircraft related to the Company's existing business*

(1) Connection with elderly care

The Company's core existing business is property management services, which cover a wide type of hospital properties, commercial and other non-residential properties, and residential properties.

With the deepening of population aging in China, there is an increasing demand for elderly care services. The proposed exploration of elderly care-related investment and cooperation opportunities is a natural extension of the Company's existing property management business, especially for our hospital property management services.

Specifically, the Group can integrate elderly care services (such as home-based care assistance, health monitoring, and elderly activity organization) into the Company's existing property management service system. This not only enriches the service content of the Company's property management business but also meets the multi-faceted needs of property owners, enhancing customer stickiness and satisfaction. Additionally, the Company's existing property resources and service teams can be leveraged to reduce the threshold and cost of entering the elderly care field, forming a synergistic development model between property management and elderly care services. This expansion is fully aligned with the Group's business philosophy of providing comprehensive and high-quality living services to property owners.

(2) Connection with AI and Robotics

The Company has long been committed to developing, strengthening, and implementing information technologies as part of its existing business strategy. The exploration of AI and robotics-related opportunities is a key upgrade and deepening of this existing strategic direction, closely integrated with the Group's property management business operations.

In the field of hospital property management services, AI and robotics can be applied to multiple scenarios: for example, intelligent cleaning robots can improve the efficiency and hygiene standards of hospital environmental cleaning; AI-based patient flow guidance systems can assist in optimizing the service process of hospital properties; and robotic logistics systems can realize the safe and efficient transportation of medical supplies within hospitals. These applications not only enhance the professionalism, efficiency, and intelligence level of the Company's existing property management services for hospital properties but also reduce operational costs and improve service quality. Furthermore, the experience and technology accumulated in the application of AI and robotics in hospital property management can be replicated and promoted to other property types (such as residential and commercial properties) managed by the Group, driving the overall digital transformation and upgrading of the Company's existing business. Shandong Kaidi Network Information Technology Co., Ltd., a subsidiary of the Company, is responsible for the exploration of AI and robotics-related opportunities in the field of hospital property management services, which was founded in 2000 and is a National High-Tech Enterprise.

(3) *Connection with Low-Altitude Aircraft*

The Company's existing property management business includes public transportation properties (such as airports and railway stations). The usage of the low-altitude aircraft (primarily unmanned aerial vehicles, UAVs) in the property management services of these public transportation properties is relevant to the Group's existing business operations. Therefore, the Company is initially exploring ways to introduce UAVs into the property management services of these public transportation properties to enhance the Company's competitiveness in the public transportation properties (for example, the Company has already used UAVs for parking lot inspections).

UAVs can be applied to the property management of public transportation properties in multiple aspects: for instance, UAVs can be used for regular inspections of large-scale public transportation property facilities (such as airport runways, railway station roofs, and peripheral facilities) to improve inspection efficiency and coverage, ensuring the safety and normal operation of property facilities; in emergency scenarios, UAVs can assist in rapid material transportation, personnel evacuation guidance, and on-site situation monitoring. These applications effectively complement and enhance the Company's existing property management services for public transportation properties, helping the Group to provide more comprehensive, efficient, and safe property management solutions. At the same time, the exploration of this field is consistent with the Company's strategy of expanding and upgrading its property management business in public infrastructure-related segments the public transportation properties.

In conclusion, the proposed opportunities in elderly care, AI and robotics, and low-altitude aircraft are not disconnected from the Company's existing property management business. Instead, they are strategic extensions, upgrades, and supplements based on the Group's existing business segments, customer needs, and technological development strategies. These new opportunities are closely integrated with the Company's core business, which will help to enrich the service content, improve service efficiency, expand business boundaries, and enhance the overall competitiveness and profitability of the Group. The reallocation of Unutilised Net Proceeds to explore these opportunities is in line with the Group's long-term business development strategy and the interests of the Company and the shareholders as a whole.

5. *Detailed breakdown for the application of HK\$20 million proceeds in “Exploring potential investment opportunities for the purpose of expanding the Company’s business scope and scale”*

As disclosed in the Announcement, the Company intends to apply HK\$20 million of the Unutilised Net Proceeds in 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 wishes to provide the following specific breakdown and explanation.

(1) *Overall Allocation Principle*

The HK\$20 million proceeds will be allocated to strategic cooperation, acquisitions, subsidiary capital increases, and new subsidiary establishments, covering both the property management industry and cross-industry fields with high synergy. The specific allocation will be flexibly adjusted based on project progress, due diligence results, and market dynamics to ensure efficient use of funds.

(2) *Detailed Usage Breakdown and Implementation Plan*

A. Strategic Cooperation or exploration in the above fields (Estimated Allocation: HK\$14 million)

a. Cooperation or Exploration of New Business Opportunities in Property Management Industry (HK\$7 million):

The Group will cooperate with well-known local non-residential property management enterprises or explore of new business opportunities in the Yangtze River Delta, Beijing-Tianjin-Hebei Region, Western Region, and other key expansion areas. The funds will be used for cooperation initiation costs, joint project development funds, and technical docking expenses. For example, cooperating with local enterprises with rich resources in public property and transportation property management to jointly bid for large-scale public infrastructure projects, and sharing project operation revenues in accordance with the cooperation agreement.

b. Cross-Industry Cooperation or Procurement of Relevant Equipment or services (HK\$7 million):

Focus on cooperating with enterprises in elderly care, AI and robotics, low-altitude aircraft or procuring equipment or services related to these fields. Specifically:

Elderly Care Field: The funds will be used for the research and development of elderly care service products, personnel training, and the transformation of service sites in existing property projects.

AI and Robotics Field: Cooperate with technology enterprises with mature intelligent equipment research and development capabilities to customize intelligent solutions for hospital property and commercial property management (such as medical logistics robots, intelligent inspection systems). The funds will be allocated to prototype development, pilot project promotion, technical authorization fees and procurement of the equipment or services.

Low-Altitude Aircraft Field: Cooperate with qualified low-altitude aircraft manufacturers and operation service providers to explore the application of low-altitude aircraft in public transportation property management (such as aerial patrol of transportation hubs, emergency material transportation). The funds will be used for scenario testing, operation qualification application, and the procurement of the equipment or services.

B. Establishing New Subsidiaries or Increasing the Registered Capital of Subsidiaries (Estimated Allocation: HK\$6 million)

The Group will allocate HK\$4 million of the HK\$6 million to increase the registered capital of existing subsidiaries, and the remaining HK\$2 million to establish new subsidiaries.

a. Establishing Regional New Subsidiaries or Increasing the Registered Capital of Regional Subsidiaries:

Establish new subsidiaries or increase the Capital of Subsidiaries in key cities in the Yangtze River Delta, Beijing-Tianjin-Hebei Regions and the Western Region to be responsible for local market development, project operation, and customer service. The funds will be used for registration fees, office space leasing, initial team recruitment, and market promotion expenses. The Group will allocate HK\$4 million to increase the registered capital of existing regional subsidiaries, and the HK\$1 million to establish new regional subsidiaries.

b. Establishing Cross-Industry New Subsidiaries:

Establish new subsidiaries focusing on elderly care services or intelligent equipment application to carry out specialized business operations. The funds will be used for business license application, core team building, and initial project investment. For example, establishing an elderly care service subsidiary to integrate internal and external resources and provide professional elderly care services for customers in the Group's managed property projects. The Group will allocate HK\$1 million to establish cross-industry new subsidiaries.

The Group firmly believes that the detailed allocation and implementation plan of the HK\$20 million funds is in line with the Group's strategic development direction and the interests of Shareholders as a whole.

The above additional information does not affect other information contained in the Announcement. 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.

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

Hong Kong, 21 January 2026

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.