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Kangqiao Service Group Limited

康橋悅生活集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2205)

CHANGE IN USE OF PROCEEDS

References are made to (i) the prospectus (the "**Prospectus**") issued by Kangqiao Service Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated June 29, 2021 in relation to the listing of the Company's shares on the Main Board of the Stock Exchange, which sets out the intended use of the net proceeds (the "**Net Proceeds**") from the issue of new shares of the Company at the time of preparing the Prospectus; and (ii) the disclosure on the utilisation of the Net Proceeds in the interim reports of the Company for the six months ended June 30, 2022, 2023, 2024 and 2025 (together, the "**Interim Reports**") and the annual reports of the Company for the year ended December 31, 2021, 2022, 2023 and 2024 (together, the "**Annual Reports**"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, the Interim Reports and the Annual Reports.

The Board hereby announces that after careful consideration and detailed evaluation of the Group's operations and business strategy, the Board has resolved to change the use of the unutilised portion of the Net Proceeds in the manner as set out below.

CHANGE IN USE OF PROCEEDS

The original intended use and allocation of the Net Proceeds, which amounted to approximately HK$628.9 million after deducting underwriting fees and commissions and other listing expenses and adding net proceeds from partial exercise of the over-allotment option, was disclosed in the section headed "Future Plans and Use of Proceeds – Use of Proceeds" in the Prospectus.

As disclosed in the interim report of the Company for the six months ended June 30, 2025, as at June 30, 2025, the Group had utilised approximately HK$318.4 million of the Net Proceeds and the unutilised Net Proceeds amounted to approximately HK$310.5 million (the "**Unutilised Net Proceeds**"). The original intended use of the Unutilised Net Proceeds is for pursuing selective strategic investment and acquisition opportunities to further develop strategic cooperation and expand the business scale of the Group.

The Board has resolved to change the use of the Unutilised Net Proceeds as follows:

Purposes	Planned use of Net Proceeds as disclosed in the Prospectus *(HK$ million)*	Utilised Net Proceeds as at June 30, 2025 *(HK$ million)*	Unutilised Net Proceeds as at June 30, 2025 *(HK$ million)*	Revised allocation of Unutilised Net Procceeds *(HK$ million)*
Pursue selective strategic investment and acquisition opportunities to further develop strategic cooperation and expand the Group's business scale	408.8	133.6	275.2	0
Invest in intelligent operational and internal management systems to improve service quality and customer experience	62.9	30.3	32.6	32.6
Enrich and expand the Group's service and type of product offerings to develop diverse business line	94.3	93.7	0.6	0.6
Working capital and other general corporate purposes	62.9	60.8	2.1	277.3
Total	**628.9**	**318.4**	**310.5**	**310.5**

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The Group had adopted a more prudent approach with regard to strategic investment and acquisition of property services and related sectors with a view to ensuring that any such acquisition is only made in the interest of the Company and its Shareholders as a whole. Despite sustained efforts in exploring potential targets in the property services and related sectors, the Group is unable to identify suitable investment opportunities that meet the Group's strategic objectives, valuation standards, or synergy expectations. The Board considers that the potential acquisition opportunities cannot justify investment returns when compared with investing in the Group's existing operations. Given the current economic conditions, which show early signs of recovery but remain challenging for the property sector, the Board believes that pursuing acquisitions at this stage would not represent the most efficient use of the Group's financial resources.

The Board believes that reallocating the proceeds to enrich and expand the Group's existing service and product offerings would enable the Group to deploy its financial resources more efficiently. Focusing on strengthening core service capabilities, and expanding services will allow the Group to enhance competitiveness, improve service quality, and capture new market opportunities.

Based on the above, the Board proposed that the re-allocation of HK$275.2 million from the Unutilised Net Proceeds for working capital and general corporate purposes is the best option for the Group to achieve sustainable development and to create long-term value for the Group and the Shareholders as a whole. The proposed change in use of proceeds would not have any material adverse effect on the existing business and

operation of the Group but would improve the utilisation efficiency of the Unutilised Net Proceeds.

On the progress of the use of the Unutilised Net Proceeds, the Company will provide update to its Shareholders through disclosures in its annual report and interim report. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate. 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
Kangqiao Service Group Limited
SONG Gewei
Chairman

Hong Kong, November 18, 2025

As at the date of this announcement, the Board comprises Mr. SONG Gewei as the chairman and non-executive Director; Mr. DAI Wei, Mr. KANG Weiguo and Ms. WANG Na as the executive Directors; and Mr. KAM Hou Yin John, Dr. FAN Yun and Mr. WONG Yun Pun as the independent non-executive Directors.