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建業新生活有限公司

Central China New Life Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9983)

UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

References are made to (i) the prospectus of Central China New Life Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 5 May 2020 (the “**Prospectus**”); (ii) the announcement dated 16 March 2022 relating to the update on expected timeline for use of proceeds; and (iii) the interim report of the Company for the six months ended 30 June 2023 published on 18 September 2023. Unless otherwise defined, capitalised items used in this announcement shall have the same meanings as those defined in the Prospectus.

The Board would like to provide an update to the expected timeline for use of the proceeds from the Listing.

UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

As disclosed in the 2023 Interim Report, the remaining net proceeds of the Listing (after deducting underwriting fee and the relevant expenses payable by the Group in connection to the Listing) amounted to approximately RMB1,524.6 million as of 30 June 2023.

As of 31 October 2023, a total amount of approximately RMB577.2 million out of the net proceeds of the Listing had been utilised by the Group according to the allocation set out in the Prospectus and the remaining net proceeds of the Listing amount to approximately RMB1,511.5 million.

Since the outbreak of Coronavirus Disease 2019 (the “**COVID-19**”) in early 2020, the Company has encountered numerous challenges from the adverse effects of the pandemic, fluctuations in the real estate and the overall economic environment. In light of these

circumstances, the Company has adopted a prudent development approach in expansion of its business and has prioritised balancing of its management scale and quality of its services. In addition, the Company continues to explore development paths that align with the Company’s areas of strengthen to maximise the expected return for shareholders of the Company (the “**Shareholder(s)**”). As a result, the Company has not yet utilised the net proceeds as intended. Notwithstanding the foregoing, the Company is still committed to utilise the unutilised net proceeds towards its various business objectives as set out in the Prospectus.

The table below sets forth the allocation and status of utilisation of the proceeds and the updated expected timeline of the use of the unutilised proceeds:

Major Categories	Sub-categories	Respective percentage of total proceeds	Respective amount of total proceeds (RMB'000)	Actual expenditures as at 31 October 2023 (RMB'000)	Unused net proceeds as at 31 October 2023 (RMB'000)	Timeframe (as disclosed in the Announcement)	Updated timeframe
1. Strategic investment, cooperation and acquisition		60%	1,253,216	132,723	1,120,493		
	1. Acquiring property management service providers	40%	835,478	114,531	720,947	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	2. Acquiring companies that will expand our portfolio	10%	208,869	—	208,869	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	3. Acquiring other companies that can bring synergies to our business, in particular, our value-added services	10%	208,869	18,192	190,677	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
2. Enhancement of Jianye+ platform to optimize user experience		15%	313,304	124,938	188,366		
	1. Developing and optimizing software and our cloud system	5%	104,435	64,061	40,374	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	2. Improving and expanding our facilities and equipment	4%	83,548	1,991	81,557	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	3. Expansion of scale and diversity of membership resources	4%	83,548	49,738	33,810	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	4. Expansion of our user base	2%	41,773	9,148	32,625	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing

Major Categories	Sub-categories	Respective percentage of total proceeds	Respective amount of total proceeds (RMB'000)	Actual expenditures as at 31 October 2023 (RMB'000)	Unused net proceeds as at 31 October 2023 (RMB'000)	Timeframe (as disclosed in the Announcement)	Updated timeframe
3. Investment in advanced information technology systems		15%	313,304	110,713	202,591		
	1. Building intelligence communities and upgrading facilities	7%	146,209	107,272	38,937	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	2. Developing our financial sharing system	2.5%	52,217	2,224	49,993	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	3. Developing a process control and KPI integration system	4%	83,548	1,008	82,540	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
	4. Achieving digitalized documentation	1.5%	31,330	209	31,121	Between one year to three and a half years after Listing	Between one year to four and a half years after Listing
4. General working capital	Working capital and other general corporate purposes	10%	208,870	208,870	—	Between one year to three and a half years after Listing	
		<u>100%</u>	<u>2,088,694</u>	<u>577,244</u>	<u>1,511,450</u>		

The Board considers that the extension of the expected timeline for full utilisation of the proceeds will not have any material adverse impact on the existing business and operations of the Group. Furthermore, it is in the best interest of the Company and its shareholders as a whole. Apart from this, there are no other changes in the use of proceeds from the Global Offering.

The Directors will from time to time assess the business objectives and the use of the net proceeds for the Group's benefit to cope with the changing market conditions. If there is any material progress on the utilisation under the time frame as set out above, or in case any further adjustments on the use of the net proceeds are needed, the Company will make further announcement as and when appropriate.

By order of the Board
Central China New Life Limited
Wang Jun
Chairman

Hong Kong, 14 November 2023

As at the date of this announcement, the Board comprises: (i) Mr. Wang Jun (Chairman) and Mr. Shi Shushan as executive Directors; (ii) Ms. Wu Lam Li and Ms. Dai Jiling as non-executive Directors; and (iii) Mr. Leong Chong, Ms. Luo Laura Ying and Ms. Xin Zhu as independent non-executive Directors.