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Raily Aesthetic Medicine International Holdings Limited

瑞麗醫美國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2135)

CHANGE IN USE OF NET PROCEEDS

Reference is made to (i) the prospectus of Raily Aesthetic Medicine International Holdings Limited (the “**Company**”) dated 15 December 2020 (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 others, the intended use of the net proceeds from the issue of new shares of the Company (the “**Net Proceeds**”) at the time of issuing the Prospectus; (ii) the annual report for the year ended 31 December 2024 (the “**2024 Annual Report**”) of the Company dated 28 March 2025; (iii) the supplemental announcement dated 10 October 2025 in relation to the 2024 Annual Report (the “**Supplemental Announcement**”); and (iv) the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those used in the Prospectus, 2024 Annual Report, the Supplemental Announcement and the 2025 Interim Report.

USE OF PROCEEDS

As disclosed in the section headed “**USE OF PROCEEDS**” in the 2025 Interim Report, the Net Proceeds were intended to be used for the following purposes:

- (a) Approximately 71.0% of the Net Proceeds will be used for expanding the aesthetic medical institutions network, including: (i) renovation and expansion of existing aesthetic medical institutions (28.0%); (ii) organic growth of the network (28.0%); and (iii) strategic acquisitions (15.0%);
- (b) Approximately 11.0% of the Net Proceeds will be used for acquiring new aesthetic medical service equipment and treatment consumables to extend the spectrum of treatment services offered in the current aesthetic medical institutions;
- (c) Approximately 8.0% of the Net Proceeds will be used to actively promote the brand; and
- (d) Approximately 10.0% of the Net Proceeds will be used for general working capital.

The Net Proceeds from the Listing were approximately HK\$81.7 million (after deduction of underwriting commissions and related costs and expenses).

CHANGE IN USE OF NET PROCEEDS

As at the date of this announcement, the unutilised Net Proceeds amounted to approximately HK\$8.4 million (the “**Unutilised Net Proceeds**”). In view of the reasons stated in the section headed “Reasons for and benefits of the change in use of net proceeds” of this announcement, on 2 January 2026, the board of the Company (the “**Board**”) resolved to change the use of the Unutilised Net Proceeds. An analysis of the utilization 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 use of Net Proceeds HK\$ million	Utilised Net Proceeds as at the date of this announcement	Unutilised Net Proceeds as at the date of this announcement	Revised application of the Unutilised Net Proceeds HK\$ million	Updated expected timeline of full utilization of remaining proceeds
		HK\$ million	HK\$ million	HK\$ million	
Expanding our aesthetic medical institutions network					
– Renovation and expansion of existing aesthetic medical institutions	58.0	49.6	8.4	–	N/A
– Organic growth	22.9	22.9	–	–	N/A
– Strategic acquisitions	22.9	14.5	8.4	–	N/A
Acquire new aesthetic medical service equipment and treatment consumables	12.2	12.2	–	–	N/A
Actively promote our brand	9.0	9.0	–	–	N/A
General working capital	6.5	6.5	–	–	N/A
	8.2	8.2	–	8.4	On or before 31 December 2026
Total	81.7	73.3	8.4	8.4	

The Unutilised Net Proceeds are expected to be fully utilised on or before 31 December 2026 in accordance with the expected timeline as set out above. Such expected timeline is based on the estimation made by the Company which might be subject to changes in accordance with the change in market conditions from time to time.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF NET PROCEEDS

After assessing the current market condition, the Board is of the view that it may not be the best option to utilise the Net Proceeds for the organic growth. Originally, it is believed that establishing an aesthetic medical hospital in Shanghai City can boost client’s confidence, enhance brand influence and further reinforce the Company’s corporate profile, which in turn allows the Company to further attract clients and expand its business in China. However, COVID-19 during the aforesaid period has impacted the aesthetical industry in Shanghai City resulting in limited business opportunity and growth. As of 31 December 2025, the aesthetical market conditions in Shanghai City remain weak, and no suitable aesthetic medical institution was identified in Shanghai City. In addition, it is crucial and necessary to ensure sufficient working capital is

available for the Company's existing operations. Therefore, to better utilise the financial resources, the Company intends to adjust its plan to reallocate the Unutilised Net Proceeds to the general working capital.

In light of the above, the Board considers that the reallocation of the remaining Unutilised Net Proceeds would allow the Company 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 Company to meet its operational needs and provide more buffer to cope with the economic uncertainties in the future.

The Board confirms that there are no material changes in the nature of the business of the Company and considered that the proposed change is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Company.

The Board will continuously assess the changing market conditions and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for better performance of the Company.

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

By Order of the Board
Raily Aesthetic Medicine International Holdings Limited
Mr. Fu Haishu
Chairman and Executive Director

Hangzhou, the PRC, 2 January 2026

As at the date of this announcement, the Board comprises Mr. Fu Haishu, Mr. Song Jianliang and Mr. Wang Ying as Executive Directors; and Mr. Cao Dequan, Ms. Yang Xiaofen and Mr. Liu Teng as Independent Non-executive Directors.