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Redco Healthy Living Company Limited

力高健康生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2370)

INSIDE INFORMATION POSSIBLE CHANGE IN SHAREHOLDING

The announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Redco Healthy Living Company Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is made to the announcement of the Company dated 2 January 2026 (the “**Announcement**”) in relation to the appointment of Receivers over 75% of the issued shares of the Company. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement dated 2 January 2026.

As stated in the Announcement, on 31 December 2025, the Company received a letter from Mr. Lai Wing Lun who was the Receiver of the charged 150,000,000 shares, representing 75% of the total issued shares of the Company (the “**Charged Shares**”) which was charged to secure the liabilities owed by Redco Properties Group Limited (“**Redco Properties**”), the controlling shareholder of the Company.

On 23 May 2026, the Company was informed by Redco Properties that they have received a letter (the “**Letter**”) from the Receivers indicating that as the Facility remains in default, and despite continued marketing efforts of the Receivers, no viable commercial offer for the Charged Shares has been secured. The Letter stated that China Billion International Limited, being the sole lender of record under the Facility (the “**Lender**”), has proposed to acquire 48,000,000 ordinary shares (the “**Target Shares**”) in the Company out of the Charged Shares, representing 24% of the issued share capital of the Company, for a consideration of HK\$45,120,000 (the “**Sale**”). The consideration is to be satisfied on a non-cash basis by way of partial set-off against the outstanding Facility owed by Redco Properties, calculated by reference to the closing price of HK\$0.94 per share on the Hong Kong Stock Exchange on 15 May 2025. Having considered, among other things, the continuing

default of Redco Properties under the Facility, the absence of any viable commercial offer for the Charged Shares notwithstanding the sustained marketing efforts since the Receivers' appointment, and the terms of the proposed Sale, the Receivers gave formal notice to Redco Properties that unless by the close of business on 26 May 2026 (i) Redco Properties procures a purchaser willing to acquire the Target Shares at a price of not less than HK\$45,120,000, (ii) full repayment of the outstanding Facility is made, or (iii) Redco Properties may raise any objection supported by reasonable grounds, the Receivers shall deem that Redco Properties have no objection to the Sale and agree that the Sale is fair and reasonable in the circumstances, and the Receivers shall proceed with the execution of the relevant transaction documents and the implementation of the Sale without further notice to Redco Properties.

According to Redco Properties, they have since then negotiated with the Lender to seek indulgence from strict enforcement while pursuing amicable discussions toward viable alternatives. Yet, on 22 May 2026, the Lender indicated that unless repayment is made, no further extension of time would be granted to Redco Properties for repayment. Given that Redco Properties lacks the financial resources to repay the entire said HK\$45,120,000 by 26 May 2026, it is expected that the Target Shares would be disposed of by the Receivers to the Lender by 26 May 2026.

Accordingly, it is expected that by 26 May 2026, the Target Shares, representing 24% of the issued share capital of the Company, will be sold to the Lender for setting off against part of the Facility due by Redco Properties to the Lender. Upon the occurrence of such shares, Redco Properties will only be interested in 51% instead of 75% of the issued shares of the Company, and the Lender will become a substantial shareholder of the Company (as defined in the Listing Rules).

According to the announcement made by Redco Properties on 22 May 2026, they indicated that they cannot assure on whether the remaining Charged Shares would be further disposed of by the Receivers/Lender. In the event that the Receivers/Lender seek to further dispose of the Charged Shares, it may result in deconsolidation of the Company from the consolidated financial statements of Redco Properties.

As this stage, the Company cannot estimate the actual impact on the financial or business performance of the Company as a result of the Sale, but it is expected that no immediate material negative impact will be brought to the financial and business performance of the Company. The Board will keep monitoring the situation and request Redco Properties to provide further updates to the Company on any development of the matters.

Shareholders and other investors of the Company are advised to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and other investors of the Company are advised to seek professional advice from their own professional or financial advisers.

By order of the Board
Redco Healthy Living Company Limited
Huang Ruoqing
Chairman

Hong Kong, 25 May 2026

As at the date of this announcement, the executive Directors are Mr. Tang Chengyong, Ms. Wong Yin Man and Ms. Huang Yanqi, the non-executive Director is Mr. Huang Ruoqing, and the independent non-executive Directors are Mr. Lau Yu Leung, Mr. Sze Irons and Mr. Chow Ming Sang.