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Grown Up Group Investment Holdings Limited

植華集團投資控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1842)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Grown Up Group Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 (“**FY2020**”), which was published on 28 April 2021 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

In addition to the information provided in the Annual Report, the board of directors of the Company (the “**Board**”) would like to provide additional information as follows:

USE OF PROCEEDS FROM LISTING

The Board would like to provide supplemental information as to the utilisation of the Net Proceeds during FY2020 pursuant to paragraph 11(8) of Appendix 16 of the Listing Rules as follows:

During FY2020, the Group has applied the Net Proceeds as follows:

Intended use of Net Proceeds	Unutilised Net Proceeds brought forward from 31 December 2019 <i>HK\$'000</i>	Net Proceeds utilised during FY2020 <i>HK\$'000</i>	Unutilised Net Proceeds as at 31 December 2020 <i>HK\$'000</i>
Intensifying design and development efforts	6,686	5,217	1,469
Enhancing design and development capabilities	5,220	3,975	1,245
Expanding sales and marketing network	6,155	6,155	—

Intended use of Net Proceeds	Unutilised Net Proceeds brought forward from 31 December 2019 <i>HK\$'000</i>	Net Proceeds utilised during FY2020 <i>HK\$'000</i>	Unutilised Net Proceeds as at 31 December 2020 <i>HK\$'000</i>
Expanding and enhancing manufacturing capabilities	11,483	623	10,860
Enhancing information technology management system	4,634	2,384	2,250
Repaying outstanding bank loans	—	—	—
Working capital	—	—	—
Total	34,178	18,354	15,824

Particulars of the Net Proceeds applied during FY2020 are set out below:

Intended use of Net Proceeds	Description of the Net Proceeds utilised during FY2020
Intensifying design and development efforts	<ul style="list-style-type: none"> Supported the product design and development operations in Hong Kong, the PRC and Denmark for licensed brand products.
Enhancing design and development capabilities	<ul style="list-style-type: none"> Engaged certain product designers and service providers for product design and development.
Expanding sales and marketing network	<ul style="list-style-type: none"> Entered into a brand management service agreement and engaged a market unit to provide a range of marketing services to promote the Group's licensed and branded products. Strengthened the Group's sales team to reinforce the Group's presence among new customers in the U.S. and identify new distributors/distribution channels in the PRC market. Conducted certain advertising and marketing activities for licensed brand products.

Intended use of Net Proceeds	Description of the Net Proceeds utilised during FY2020
Expanding and enhancing manufacturing capabilities	<ul style="list-style-type: none"> ● Replaced production equipment to enhance efficiency. ● Improved facility at the Group's production plant in the PRC.
Enhancing information technology management system	<ul style="list-style-type: none"> ● Engaged an IT service provider to set up a product information exchange platform for the Group's customers and other users. ● Upgraded IT facility and system.

RETIREMENT SCHEMES

As disclosed in note 2.18 of the notes to the consolidated financial statements of the Company in the Annual Report, the Group participated in the Mandatory Provident Fund Scheme for its employees in Hong Kong. The Group also made monthly contributions to state-sponsored defined contribution scheme for its employees in the PRC, and contributed to the occupational pension scheme to its employees in Denmark, respectively.

During FY2020, no contributions were forfeited by the Group on behalf its employees who left the scheme prior to vesting fully in such contributions. Hence, no forfeited contributions were used by the Group to reduce the existing level of contributions as described in paragraph 26 of Appendix 16 to the Listing Rules.

The above additional information does not affect other information contained in the Annual Report and save as disclosed above, all other information in the Annual Report remains unchanged.

By order of the Board
Grown Up Group Investment Holdings Limited
Thomas Berg
Chairman and executive Director

Hong Kong, 30 September 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Thomas Berg, Mr. Morten Rosholm Henriksen, Mr. Cheng Wai Man and Mr. Brian Worm; the non-executive Director of the Company is Mr. Fung Bing Ngon Johnny; and the independent non-executive Directors of the Company are Mr. Tang Tin Lok Stephen, Mr. Lau Ning Wa Ricky and Mr. Wong Kai Hing.