Hi-Level Technology Holdings Limited
揚宇科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8113)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018 AND THE INTERIM REPORT OF THE COMPANY FOR THE SIX MONTHS ENDED 30 JUNE 2019

Reference is made to the annual report for the year 31 December 2018 (the "**2018 Annual Report**") of Hi-Level Technology Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") which was published on 28 March 2019 and the interim report for the six months ended 30 June 2019 (the "**2019 Interim Report**") of the Group which was published on 13 August 2019. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the 2018 Annual Report and the 2019 Interim Report.

On 7 January 2016, the Company has offered 150,000,000 shares for subscription by way of placing and raised net proceeds of approximately HK$30 million.

The change of use of the net proceeds was approved by the Board of Directors of the Company on 15 March 2018.

The Company would like to provide additional information pursuant to rule 18.32A of the GEM Listing Rules in the paragraphs headed "Use of Proceeds" of the 2018 Annual Report and "Use of Proceeds" of the 2019 Interim Report respectively, as follows:

Uses	Original allocation *(HK$ million)*	Revised allocation *(HK$ million)*	Actual use of proceeds as at 31 December 2018 *(HK$ million)*	Actual use of proceeds as at 30 June 2019 *(HK$ million)*	Balance as at 30 June 2019 *(HK$ million)*	Expected timeline of full utilization of the balance
Upgrading the Group's ERP system *(Note 1)*	4.6	4.6	0.4	0.4	4.2	By end of 2021
Expanding the Group's ELA business by engaging in:						
- Research and development staff expenses	2.5	2.5	2.5	2.5	--	N/A
- Equipment purchases *(Note 2)*	8.7	8.7	0.3	0.5	8.2	By end of 2021
	11.2	11.2	2.8	3.0	8.2	
Expanding the Group's product change by engaging in:						
- Car infotainment	2.8	2.8	2.8	2.8	--	N/A
- Drones Wi-Fi Transmission	2.8	2.8	2.8	2.8	--	N/A
- Artificial Intelligence and Internet-of-Things *(Note 3)*	--	5.6	--	0.6	5.0	By end of 2021
- Others	5.6	--	--	--	--	N/A
	11.2	11.2	5.6	6.2	5.0	
General working capital	3.0	3.0	3.0	3.0	--	N/A
Total	30.0	30.0	11.8	12.6	17.4	

Notes:

(1) As at the date of this announcement, approximately HK$4.2 million allocated for upgrading ERP system has not been utilized by the Group. We shall continue to seek a suitable ERP system and plan to upgrade our ERP system and related hardware for around HK$4.2 million.

(2) As at the date of this announcement, approximately HK$8.2 million allocated for purchasing equipment has not been utilized by the Group. We will build a new R&D facility room in our office in Shenzhen and enhance our R&D capabilities through purchasing testing and R&D equipment to cater for our business expansion.

(3) As at the date of this announcement, approximately HK$5 million allocated for expanding the application of Artificial Intelligence ("**AI**") and Internet-of-Things ("**IoT**") has not been utilized by the Group. As application of AI becomes a new trend in the development of consumer electronics, the Company will continue to expand our range of products involving AI & IoT.

By Order of the Board
Hi-Level Technology Holdings Limited
Tong Sze Chung
Executive Director

Hong Kong, 28 October 2019

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Yim Yuk Lun, Stanley, Mr. Chang Wei Hua, Mr. Wei Wei and Mr. Tong Sze Chung; one non-executive director; Mr. Wong Wai Tai and three independent non-executive directors; namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Tsoi Chi Ho, Peter.

This announcement, for which the directors (the "Directors") of the Company collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.hi-levelhk.com