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**Affluent Foundation Holdings Limited**  
**俊裕地基集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1757)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
THE 2019 ANNUAL REPORT AND THE 2020 ANNUAL REPORT**

Reference is made to (i) the prospectus of Affluent Foundation Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 May 2018 (the “**Prospectus**”) in relation to the listing (the “**Listing**”) of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); (ii) the annual report for the year ended 31 March 2019 (the “**2019 Annual Report**”) of the Company; and (iii) the annual report for the year ended 31 March 2020 (the “**2020 Annual Report**”) of the Company. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, the 2019 Annual Report and the 2020 Annual Report.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the following supplementary information in respect of the use of proceeds and continuing connected transactions in the 2019 Annual Report and the 2020 Annual Report.

**USE OF PROCEEDS**

As disclosed in the 2019 Annual Report and the 2020 Annual Report, the net proceeds received by the Company from the Listing, after deducting listing expenses, amounted to approximately HK\$70.6 million (the “**Net Proceeds**”). Out of the Net Proceeds, approximately HK\$28.6 million and HK\$48.3 million had been utilised up to the date of the 2019 Annual Report and the 2020 Annual Report, respectively and approximately HK\$42.0 million and HK\$22.3 million (the “**Unutilised Net Proceeds**”) remained unutilised up to the date of the 2019 Annual Report and the 2020 Annual Report, respectively. In addition to the information disclosed in the section headed “Management Discussion and Analysis” in the 2019 Annual Report and the 2020 Annual Report, the Board would like to provide additional information

pursuant to paragraph 11(8) of Appendix 16 of the Listing Rules in relation to the expected timeline for the usage of the Unutilised Net Proceeds as follows:

### The 2019 Annual Report

	Planned HK\$'000 (Note)	Actual use of Net Proceeds up to the date of the 2019 Annual Report HK\$'000 (Note)	Unutilised balance up to the date of the 2019 Annual Report HK\$'000 (Note)	Expected timeline for full utilisation of the Unutilised Net Proceeds
1. Acquire additional machineries and equipment	39,996	18,007	21,989	31 March 2021
2. Strengthen the Group's manpower	14,000	4,026	9,974	31 March 2021
3. Secure more contracts the Group intends to tender	10,000	–	10,000	31 March 2021
4. General working capital	6,554	6,554	–	NA

Note: Figures as shown in this table have been subject to rounding adjustments and are approximate only.

### The 2020 Annual Report

	Planned HK\$'000 (Note)	Actual use of Net Proceeds up to the date of the 2020 Annual Report HK\$'000 (Note)	Unutilised balance up to the date of the 2020 Annual Report HK\$'000 (Note)	Expected timeline for full utilisation of the Unutilised Net Proceeds
1. Acquire additional machineries and equipment	39,996	31,916	8,080	31 March 2021
2. Strengthen the Group's manpower	14,000	9,811	4,189	31 March 2021
3. Secure more contracts the Group intends to tender	10,000	–	10,000	31 March 2021
4. General working capital	6,554	6,554	–	NA

Note: Figures as shown in this table have been subject to rounding adjustments and are approximate only.

### **Acquire additional machineries and equipment**

As stated in the Prospectus, the Company had planned to use approximately HK\$40.0 million of the Net Proceeds for acquiring additional machineries and equipment. Such acquisition involved the acquisition of machineries and equipment comprising excavators and crawler cranes required for our foundation works. According to the implementation plan set out in the Prospectus, such acquisitions will be completed by 31 March 2021.

Accordingly, the Unutilised Net Proceeds of approximately HK\$8.1 million as at the date of the 2020 Annual Report allocated for acquisition of additional machineries and equipment are intended to be fully utilised for same specific use by 31 March 2021.

### **Strengthen the Group's manpower**

The Company had planned to use approximately HK\$14.0 million of the Net Proceeds for strengthening the Group's manpower. As stated in the Prospectus, such plan involved recruitment of additional full-time staff and provision of staff training. According to the implementation plan set out in the Prospectus, additional staffs will be recruited by 31 March 2021.

Accordingly, the Unutilised Net Proceeds of approximately HK\$4.2 million as at the date of the 2020 Annual Report allocated for strengthening the Group's manpower are intended to be fully utilised for same specific use by 31 March 2021.

### **Secure more contracts the Group intends to tender**

The Company had planned to use approximately HK\$10.0 million of the Net Proceeds for securing more contracts the Group intends to tender. As at the date of the 2020 Annual Report, the customers of new contracts awarded did not require the Group to provide surety bonds. The Group has been actively bidding for new projects and it is expected that the Unutilised Net Proceeds of approximately HK\$10.0 million as at the date of the 2020 Annual Report allocated for surety bonds will be fully utilised for same specific use by 31 March 2021.

## **CONTINUING CONNECTED TRANSACTIONS**

Pursuant to Rule 14A.71(6)(b) of the Listing Rules, the Board would like to provide the following supplementary information in respect of the continuing connected transaction on the 2019 Annual Report and 2020 Annual Report:

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letters containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 14 to 15 of the 2019 Annual Report and pages 14 to 15 of the 2020 Annual Report in accordance with Rule 14A.56 of the Listing Rules. Copies of the auditor's letters have been provided by the Company to the Stock Exchange.

The Board confirms that based on the letters issued by the Company's auditor in respect of the non-exempt continuing connected transactions under the Framework Transportation Agreement as referred to in the 2019 Annual Report and the 2020 Annual Report, the auditor has confirmed the matters set out in Rule 14A.56 of the Listing Rules that, for the years ended 31 March 2019 and 31 March 2020, nothing has come to the auditor's attention that causes the auditor to believe that such continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) have exceeded the annual cap.

The Board confirms that the above supplemental information does not affect the other information in the 2019 Annual Report and 2020 Annual Report. Save as disclosed in this announcement, the contents of the 2019 Annual Report and 2020 Annual Report remain unchanged.

By order of the Board  
**Affluent Foundation Holdings Limited**  
**Chan Siu Cheong**  
*Chairman*

Hong Kong, 21 August 2020

*As at the date of this announcement, the executive Directors are Mr. Chan Siu Cheong and Mr. Sin Ka Pong, and the independent non-executive Directors are Mr. Ho Chi Wai, Mr. Cheung Kwok Yan Wilfred and Mr. Lau Leong Ho.*