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**Dragon Rise Group Holdings Limited**  
**龍昇集團控股有限公司**

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

**(Stock code: 6829)**

**SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2019  
AND  
THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

Reference is made to the annual report for the year ended 31 March 2019 (the “**2019 Annual Report**”) and the annual report for the year ended 31 March 2020 (the “**2020 Annual Report**”) of Dragon Rise Group Holdings Limited (the “**Company**”, and its subsidiaries, the “**Group**”) published on 17 July 2019 and 14 July 2020, respectively. Unless otherwise defined or the context otherwise requires, capitalised terms used herein shall bear the same meanings as those defined 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 Group, after deducting related expenses, were HK\$91.9 million, and the balance of unutilised net proceeds amounted to approximately HK\$22.8 million and HK\$2.5 million as at the date of the 2019 Annual Report and the 2020 Annual Report, respectively. In addition to the information disclosed under the paragraph headed “Management Discussion and Analysis – Use of Proceeds” in the 2019 Annual Report and the 2020 Annual Report, respectively, the Board would like to provide further information regarding the actual and

expected timeline for utilising the remaining balance of the proceeds from the Share Offer, details of which are set out as follows:

	<b>Net proceeds from the Share Offer</b> <i>(Note 1)</i> <i>HK\$ million</i>	<b>Balance of the unutilised amount as at the date of the 2019 Annual Report</b> <i>HK\$ million</i>	<b>Utilised during the year 2020</b> <i>HK\$ million</i>	<b>Balance of the unutilised amount as at the date of the 2020 Annual Report</b> <i>HK\$ million</i>	<b>Actual and expected timeline of full utilisation of the remaining proceeds from the Share Offer as at 31 March 2020</b> <i>(Note 2)</i>
Enhance our construction machinery	60.3	7.3	7.3	–	Fully utilised as of 31 March 2020
Expand our labour force	19.3	12.6	12.6	–	Fully utilised as of 31 March 2020
Reinforce our sales & marketing	4.7	2.9	0.4	2.5	Expect to be fully utilised by 31 December 2021
General working capital	7.6	–	–	–	Fully utilised as of 31 March 2020
<b>Total</b>	<b>91.9</b>	<b>22.8</b>	<b>20.3</b>	<b>2.5</b>	

*Notes:*

- (1) The net proceeds from the Share Offer amounted to HK\$91.9 million (after deducting related expenses). Such net proceeds are intended to be applied in accordance with the proposed application as disclosed in the Prospectus.
- (2) The expected timeline for utilising the remaining proceeds is made based on the best estimation of the Company taking into account, among others, prevailing and future market conditions and business developments and need, and therefore is subject to change.

During the year ended 31 March 2020, the actual application for the net proceeds from the Share Offer were used and expected to be used according to the intentions previously disclosed in the Prospectus and there was no material change in the use of proceeds. The unutilised amount is expected to be used in accordance with the Company's plan as disclosed in the Prospectus. Given the impacts of the social events occurred in Hong Kong since about July 2019 and the outbreak of the novel coronavirus (COVID-19) since January 2020 on the economy, the Company was concerned about the promotional effectiveness of sponsoring business events and charity functions organised by our customers when people in Hong Kong were recommended to stay at home and reduce gathering. The Company will continue to evaluate and adopt a prudent and flexible approach for utilising the net proceeds effectively

and efficiently for the long-term benefit and development of the Group. The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of market conditions.

Should there be any material change in the intended use of the net proceeds from the Share Offer as described in the Prospectus, the Company will make appropriate announcement(s) in due course.

The above additional information does not affect any other information contained in the 2019 Annual Report and the 2020 Annual Report. Save as disclosed in this announcement, the content of the 2019 Annual Report and the 2020 Annual Report remain unchanged.

By order of the Board  
**Dragon Rise Group Holdings Limited**  
**Yip Yuk Kit**  
*Chairman and Executive Director*

Hong Kong, 21 August 2020

*As at the date of this announcement, the Board comprises Mr. Yip Yuk Kit and Mr. Cheung Chun Fai as executive Directors; and Mr. Lo Chi Wang, Mr. Chan Ka Yu, Mr. Lee Kwok Lun and Mr. Chan Wa Shing as independent non-executive Directors.*