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Jinhai International Group Holdings Limited
今海國際集團控股有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 2225)

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

References are made to the annual report of Jinhai International Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2020 (the "**Annual Report**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

In addition to the information disclosed in the Annual Report, the board (the "**Board**") of directors of the Company would like to provide the following supplemental information to the section headed "Management Discussion and Analysis – Use of proceeds from Listing":

The following table sets out the change in allocation of Net Proceeds and the expected timeline for the full utilisation of the Unutilised Net Proceeds:

Intended use of Net Proceeds	Original allocation *(HK$' million)*	Revised allocation as at 16 October 2020 *(HK$' million)*	Utilised amount of Net Proceeds as at 31 December 2020 *(HK$' million)*	Unutilised amount of Net Proceeds as at 31 December 2020 *(HK$' million)*	Unutilised amount of Net Proceeds as at the date of Annual Report *(HK$' million)*	Expected timeline for fully utilising the Unutilised Net Proceeds
For partly financing the acquisition of an additional foreign worker dormitory at an estimated consideration of HK$162.0 million	77.1	61.3	–	61.3	46.6	By the end of June 2024 *(Note 4)*
For financing the acquisition of 10 additional lorries	5.5	3.7	1.8	3.7	3.7	By the end of June 2022 *(Note 5)*
For financing the Investment in Securities	–	10.0 *(Note 1)*	10.0	–	–	N/A
For repaying the Loan	–	5.8 *(Note 2)*	–	5.8	N/A	N/A
For injection of registered capital in Jinhai Medical	–	–	–	–	20.5 *(Note 3)*	By the end of October 2023 *(Note 6)*
Total	82.6	80.8	11.8	70.8	70.8	

Note 1:

Given the previous lockdown of Singapore due to the novel Coronavirus, the identification of the additional foreign worker dormitory has been delayed. In order to generate a better short term return and enhance the yield of the idle cash of the Company, the Company re-allocated approximately HK$10.0 million to acquire on the open market certain listed securities. For details, please refer to the announcement of the Company dated 16 October 2020 (the "**October 2020 Announcement**").

Note 2:

Pursuant to the October 2020 Announcement, Mr. Chen Guobao, a controlling shareholder and chairman of the Company advanced the Loan to the Company for the acquisition (the "**Acquisition**") of Shanghai Yunzhichu Information Technology Company Limited*（上海雲之初信息科技有限公司）. Pursuant to the announcement of the Company dated 12 November 2020, the Acquisition was terminated due to certain preconditions of the Acquisition could not be fulfilled, hence, the use of the Net Proceeds for repaying the Loan was delayed.

Note 3:

Despite actively exploring suitable dormitory for acquisition, the previous lockdown and market condition of Singapore due to the novel Coronavirus, the identification of the additional foreign worker dormitory has been delayed. In order to generate a better return and enhance the long term growth of the Company, the Company re-allocated the unutilized Net Proceeds from (i) the acquisition of additional foreign worker dormitory and (ii) repaying the Loan in the amount of approximately HK$14.7 million and HK$5.8 million, respectively, towards the formation of the joint venture company. For details, please refer to the announcements of the Company dated 2 March 2021 and 16 April 2021 (the "**Announcements**").

Note 4:

As stated in the Announcements, the Company has been ongoingly and actively searching for suitable foreign worker dormitories. However, the Singapore property market has been volatile and maintained at a relatively high level as compared to 2018. Hence, the Company has maintained a cautious approach and attempted to look for properties that are worth its value and would withstand possible downturn in the property market. In the event that it successfully acquires the additional foreign worker dormitory, the Company will comply with the requirements of the Listing Rules and make further announcement(s) as and when appropriate.

Note 5:

As the business performance of the Group's segment under provision of manpower outsourcing and ancillary services has been declining since 2019, the immediate need for additional lorries has decreased. Hence, the Group postponed the expected time of utlisation of the remaining net proceeds for such use by the end of June 2022.

Note 6:

As stated in the Announcements, the business of Jinhai Medical is at preparatory stage. The Company expects that the capital expenditure as stated in the Announcements shall be incurred gradually within 30 months from April 2021 depending on the status of obtaining the required business certificates and the business conditions of Jinhai Medical.

The Company will continue to use the Net Proceeds in accordance with the intentions as disclosed in the Announcements.

The above supplemental information does not affect other information contained in the Annual Report and the contents of the Annual Report remain correct and unchanged.

* *For illustration purpose only*

By order of the Board
Jinhai International Group Holdings Limited
Chen Guobao
Chairman and Executive Director

Hong Kong, 26 July 2021

As at the date of this announcement, the Board comprises nine directors, of which two are executive directors, namely Mr. Chen Guobao and Mr. Wang Zhenfei, four are non-executive directors, namely Mr. Yang Fu Kang, Mr. Li Yunping, Mr. Jiang Jiangyu and Mr. Wang Huasheng, and three are independent non-executive directors, namely Mr. Yan Jianjun, Mr. Fan Yimin and Mr. Chai Chi Man.