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## **TBK & Sons Holdings Limited**

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

**(Stock Code: 1960)**

### **SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**

Reference is made to (i) the prospectus of TBK & Sons Holdings Limited (the “**Company**”) dated 16 September 2019 (the “**Prospectus**”) relating to the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing**”); (ii) annual report for the year ended 30 June 2019 (the “**2019 Annual Report**”) of the Company; and (iii) annual report for the year ended 30 June 2020 (the “**2020 Annual Report**”) of the Company, together with its subsidiaries (the “**Group**”). Unless otherwise stated, capitalized terms used in this announcement have the same meanings as those defined in the Prospectus and the 2020 Annual Report.

In addition to the information disclosed in the section “Management Discussion and Analysis” in the 2020 Annual Report, the Board would like to provide additional information pursuant to paragraphs 11(8) of Appendix 16 to the Listing Rules in relation to the use of net proceeds of HK\$85.0 million (the “**Net Proceeds**”) from the Company’s listing as follows:

	Planned use of the Net Proceeds as stated in the 2019 Annual Report <i>HK\$'million</i>	Amount of Net Proceeds used up to 30 June 2020 <i>HK\$'million</i>	Balance of unutilized Net Proceeds as at 30 June 2020 <i>HK\$'million</i>	Amount of Net Proceeds used for the 12 months up to 30 June 2021 <i>HK\$'million</i>	Balance of unutilized Net Proceeds as at 30 June 2021 <i>HK\$'million</i>	Expected timeline for unutilized Net Proceeds
To reserve more capital to satisfy the Group’s potential customers’ requirement for performance bond	8.9	—	8.9	—	8.9	30 June 2022
To expand the Group’s workforce	13.4	—	13.4	—	13.4	30 June 2022
To acquire machinery	17.8	—	17.8	—	17.8	30 June 2022
To finance for the upfront expenditures of new projects	26.7	2.1	24.6	3.0	21.6	30 June 2022
To acquire business	13.4	—	13.4	—	13.4	30 June 2022
To set aside for working capital purpose	4.8	2.4	2.4	2.4	—	30 June 2021
	<u>85.0</u>	<u>4.5</u>	<u>80.5</u>	<u>5.4</u>	<u>75.1</u>	

## **REASONS FOR DELAY IN THE USE OF NET PROCEEDS**

The original expected timeline of unutilized Net Proceeds in respect of (i) the financing of performance bonds; (ii) expand the Group's workforce; (iii) acquire machinery; and (iv) financing of upfront expenditures of new projects, were 30 June 2020 and the acquisition of business was 30 June 2021. However, the Net Proceeds have not yet been utilised as planned within the expected timeframe mainly as the COVID-19 pandemic and the MCO has had significant impact on the construction industry in Malaysia, with measures such as (i) closure of worksites and headquarters; (ii) interruption of operations due to SOP required to be implemented; and (iii) negative impact on the demand for the Group's civil and structural works. Projects currently ongoing had to be suspended and projects that were expected to be open for tender or commence in the Financial Year were either suspended or postponed by customers of the Group due to the MCO measures. As such, the Group has not yet had the opportunity to utilise the Net Proceeds in expanding its workforce for any possible new projects, whilst the financing of performance bonds and upfront expenditures were not yet necessary as projects have been suspended or postponed. Furthermore, the Group has so far not been able to identify the suitable machineries and businesses, it is interested in acquiring as the pandemic has made it difficult for the Group to identify and/or negotiate for the respective acquisitions. Therefore, without change in the business objective as stated in the Prospectus and taking into account of the impact from COVID-19 pandemic, the Group plans to extend the expected time line for the utilization of the unused proceeds to 30 June 2022 in order to enhance flexibility for the future development of the Group.

The above supplemental information does not affect other information contained in the 2020 Annual Report. Save as disclosed above, all other information in the 2020 Annual Report remains unchanged.

By order of the Board  
**TBK & Sons Holdings Limited**  
**Tan Hun Tiong**  
*Chairman*

Hong Kong, 27 September 2021

*As at the date of this announcement, the Board comprises Mr. Tan Hun Tiong, Mr. Tan Han Peng and Mr. Tang Zhiming as executive Directors; Ms. Chooi Pey Nee as non-executive Director; and Mr. Chu Hoe Tin, Mr. Ng Ying Kit and Mr. Wong Sze Lok as independent non-executive Directors.*