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**Peiport Holdings Ltd.**

**彼岸控股有限公司**

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

**(Stock Code: 2885)**

## **CHANGE IN USE OF PROCEEDS**

Reference is made to (i) the prospectus of Peiport Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 31 December 2018 (the “**Prospectus**”) in relation to the listing of the Company’s shares (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and (ii) the interim report of the Company for the six months ended 30 June 2022 (the “**Interim Report**”), in which the utilisation of proceeds from the Listing up to 30 June 2022 was disclosed. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Interim Report.

### **CHANGE IN USE OF PROCEEDS**

The net proceeds from the Listing received by the Company, after deducting all related expenses, amounted to approximately HK\$81.2 million. As at 30 June 2022, the Company had utilised net proceeds of approximately HK\$52.1 million.

Having carefully considered the current business environment and development needs of the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has resolved to change part of the unutilised net proceeds amounting to HK\$20 million which was originally allocated for establishing new research and development centres in the People’s Republic of China (the “**PRC**”) and Hong Kong to (i) enhancing the recognition and qualification of the Group’s products; and (ii) strengthening the Group’s sales capacity and capturing new sales opportunities.

Set out below is the original and revised allocation of the net proceeds:

	<b>Original allocation</b> <i>(HK\$'000)</i>	<b>Amount utilised up to 30 June 2022</b> <i>(HK\$'000)</i>	<b>Amount unutilised as at 30 June 2022</b> <i>(HK\$'000)</i>	<b>Revised allocation of the amount unutilised</b> <i>(HK\$'000)</i>
Establish new research and development centres in the PRC and Hong Kong	39,600	(11,063)	28,537	8,537
Enhance the recognition and qualification of our products	17,300	(16,717)	583	10,583
Strengthen our sales capacity and capture new sales opportunities	21,100	(21,100)	–	10,000
Purchase new information technology hardware and software	2,500	(2,500)	–	–
Working capital	700	(700)	–	–
	<u>81,200</u>	<u>(52,080)</u>	<u>29,120</u>	<u>29,120</u>

## **REASONS FOR THE CHANGE IN USE OF PROCEEDS FROM LISTING**

The Board evaluates the global and local economic development and the Group's business development from time to time to determine the most efficient and effective method to deploy the Group's resources. The ongoing Coronavirus Disease 2019 (“**COVID-19**”) pandemic, which has led to travel restrictions and/or quarantine requirements, has made it more difficult for the Company's management to locate suitable premise and develop the research and development centre in the PRC. The Board considers it is appropriate to reallocate the unutilised net proceeds initially intended for the establishment of research and development centre in the PRC to other imminent needs of the Group.

Faced with the challenging economic environment, the Board considers that there is a more imminent need of the Group to enhance the recognition and qualifications of the Group's products and strengthen the sales capacity and capture new sales opportunities in Hong Kong, the PRC and other locations. After reallocating HK\$20 million of the unutilised net proceeds, approximately HK\$10.6 million of the unutilised net proceeds will be used to obtain internationally recognised certificates for the Group's newly developed products. Approximately HK\$10.0 million of the unutilised net proceeds will be used to fund the Group's participation in industry exhibitions, demonstration of new products and recruitment of additional sales and marketing personnel. The Board expects that the unutilised net proceeds under the revised allocation would be fully utilised by the end of 2024.

The Board will closely monitor the utilisation of the unutilised net proceeds with the interests of the Company and its shareholders. The Board is of the view that the change in use of the unutilised net proceeds will enable the Group to effectively meet the current business needs of the Group in light of the challenging economic environment, and therefore, is in the best interests of the Company and its shareholders as a whole.

By Order of the Board  
**Peiport Holdings Ltd.**  
**YEUNG Lun Ching**  
*Chairman and Executive Director*

Hong Kong, 18 October 2022

*As at the date of this announcement, the executive Directors are Mr. YEUNG Lun Ching, Ms. WONG Kwan Lik and Mr. YEUNG Chun Tai, and the independent non-executive Directors are Mr. NIU Zhongjie, Ms. YEUNG Hiu Fu Helen and Mr. HOU Min.*