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## **TSIT WING INTERNATIONAL HOLDINGS LIMITED**

**捷榮國際控股有限公司\***

*(Incorporated under the laws of Bermuda with limited liability)*

**(Stock Code: 2119)**

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

Reference is made to the prospectus (the “**Prospectus**”) of Tsit Wing International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 April 2018 in relation to the offer of shares of the Company (the “**Share Offer**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus.

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

As at the date of this announcement, the Company has unutilised net proceeds of Share Offer (“**Net Proceeds**”) of up to approximately HK\$51.7 million. On 4 March 2021, the Board has resolved to change the proposed use of Net Proceeds and the expected timeline for utilising the remaining unused Net Proceeds. Details of the original allocation of the Net Proceeds, the revised allocation of the Net Proceeds, the utilised Net Proceeds as at

\* *For identification purposes only*

the date of this announcement and the expected timeline for utilising the remaining unused Net Proceeds are set out as follows:

	Original allocation <i>HK\$'000</i>	Utilisation as at the date of this announcement <i>HK\$'000</i>	Remaining balance before revised allocation <i>HK\$'000</i>	Remaining balance after revised allocation <i>HK\$'000</i>	Expected timeline for utilising the remaining unused Net Proceeds
Strengthening business portfolio	93,044	78,740	14,304	29,304	Before 31 December 2022
Capital investment of machineries and equipment	46,522	46,522	—	—	N/A
Expansion into Southeast Asia	23,261	332	22,929	—	N/A
Product customisation and development	23,261	8,775	14,486	14,486	Before 31 December 2022 <i>(Note)</i>
Support sales and marketing	23,261	23,261	—	—	N/A
General working capital	<u>23,261</u>	<u>23,261</u>	<u>—</u>	<u>7,929</u>	Before 31 December 2021
Total	<u>232,610</u>	<u>180,891</u>	<u>51,719</u>	<u>51,719</u>	

*Note:* The launching plan of the tea machines has been further delayed as some of the machinery spare parts are sourced from European countries and the expected timeline for utilizing the relevant Net Proceeds is extended to 31 December 2022.

## REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Up to the date of this announcement, approximately HK\$0.3 million of the Net Proceeds was utilised for expansion into Southeast Asia including participation in various food and beverage exhibitions, on-site factory visits and various meetings with strategic partners to discuss the business opportunities. As at the date of this announcement, the Company is yet to identify suitable acquisition target and to set up the representative offices in the regions as discussed in the Prospectus. The business and economic situation have been seriously affected by COVID-19 in Southeast Asia since January 2020. In order to assess the feasibility of the original plan of expansion into Southeast Asia under the current market condition, the Company has engaged a market consultant to give the Board an overview and understanding of the legal and commercial regimes of relevant markets in Southeast Asia, i.e. Thailand, Malaysia, Vietnam and Sri Lanka, including the macro economic situation, potential growth trend and acquisition targets in Malaysia and Thailand and the feasibility of setting up representative offices in Vietnam and Sri Lanka etc. Having assessed the current market condition with the uncertainty in the economy recovery in Southeast Asia and based on the information available; and in order to strengthen the effectiveness of capital use and of the business operations, the use of Net Proceeds is appropriately adjusted to allow the Group to utilise its financial resources in a more beneficial and effective way. The Board considered that the above changes will not have any material adverse effect on the existing business and operations of the Group and are in the best interests of the Company and its shareholders as a whole.

Save for the changes as disclosed in the table above, there is no other change of the used of Net Proceeds. The Board also confirms that there is no material change in the nature of business of the Group as set out in the Prospectus.

By order of the Board  
**Tsit Wing International Holdings Limited**  
**Mr. Wong Tat Tong**  
*Chairman*

Hong Kong, 4 March 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Wong Tat Tong, Mr. Wu Kam On Keith and Ms. Fan Yee Man. The independent non-executive directors of the Company are Mr. Tang Kwai Chang, Mr. Wong Man Fai and Mr. Lok Kung Chin, Hardy.*