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Lapco Holdings Limited

立高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8472)

SUPPLEMENTAL ANNOUNCEMENT TO 2019 ANNUAL REPORT — USE OF PROCEEDS

References are made to the section headed “Future Plans and Use of Proceeds” of the prospectus of Lapco Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 June 2017 (the “**Prospectus**”), and the section headed “Management Discussion and Analysis — Use of Proceeds” in the 2019 annual report of the Company published on 25 March 2020 (the “**2019 Annual Report**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Prospectus and the 2019 Annual Report, respectively.

This announcement is made to provide supplemental information to the 2019 Annual Report in relation to the use of proceeds from the listing of the Company’s securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 July 2017 (the “**Listing**”).

The net proceeds from the issue of new shares of the Company through the Public Offer of an aggregate of 10,000,000 Public Offer Shares and the placing of 90,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company at the price of HK\$0.50 per share, after deducting the underwriting commission and listing expenses borne by our Group and excluding the net proceeds of the Sale Shares, were approximately HK\$18.7 million (“**Actual Proceeds**”), as compared to the estimated net proceeds of approximately HK\$20.8 million as disclosed in the Prospectus, there were shortage of approximately HK\$2.1 million mainly due to the additional listing expenses at final payment. Accordingly, the Group has adjusted the use of proceeds on a pro-rata basis.

In addition to the information disclosed in the section headed “Management Discussion and Analysis — Use of Proceeds” in the 2019 Annual Report, the Board would like to provide additional information pursuant to Rule 18.32(8) to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange in relation to the use of Net Proceeds as follows:

Use of net proceeds	Total planned amount to be used <i>HK\$' million</i>	Actual amount utilized up to 31 December 2018 <i>HK\$' million</i>	Actual amount utilized during the year ended 31 December 2019 <i>HK\$' million</i>	Actual amount utilized up to 31 December 2019 <i>HK\$' million</i>	Unutilized balance as at 31 December 2019 <i>HK\$' million</i>	Expected timeline for utilising the remaining Net Proceeds
						as at 31 December 2019
Procure additional vehicles	9.0	6.3	2.7	9.0	–	
Procure additional equipment	0.9	0.9	–	0.9	–	
Hire additional staff	1.4	1.1	0.3	1.4	–	
Enhance information technology application system to enhance operational efficiency	2.7	0.1	–	0.1	2.6	On or before 31 December 2021
Repay a bank loan	2.9	2.9	–	2.9	–	
General working capital	1.8	1.1	0.7	1.8	–	
Total	18.7	12.4	3.7	16.1	2.6	

REMAINING NET PROCEEDS

As disclosed in the 2019 Annual Report, sum of HK\$2.6 million remained unutilized as at 31 December 2019. However, given the social unrest in Hong Kong from mid of 2019 and the outbreak of novel coronavirus (“COVID-19”) in early of 2020, the Company delayed the incurring of expenses for the enhancement of information technology application system to preserve the cash position of the Group. It is expected that this remaining amount will be utilized by the year ending 31 December 2021 depending on the development of COVID-19 and its impact on the economic conditions in Hong Kong.

The information contained in this supplemental announcement does not affect other information contained in the 2019 Annual Report and save as disclosed above, all other information in the 2019 Annual Report remains unchanged.

By order of the Board of
Lapco Holdings Limited
Tam Yiu Shing, Billy
Executive Director and Company Secretary

Hong Kong, 20 August 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Lam Pak Ling, Mr. Cai Weiming, Mr. Wong Tsz Chun, Jacky and Mr. Tam Yiu Shing, Billy; one non-executive director, namely Mr. Gao Ran and three independent non-executive Directors, namely Mr. Mak Kwok Kei, Ms. Lam Kit Yan and Mr. Ho Kin Wai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at www.lapco.com.hk.