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SATU
SATU HOLDINGS LIMITED

舍圖控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8392)

REALLOCATION AND CHANGE IN USE OF PROCEEDS

References are made to the section headed “Future Plans and Use of Proceeds” of the prospectus of Satu Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 September 2017 (the “**Prospectus**”), the annual reports of the Company for the years ended from 31 March 2018 to 31 March 2023 and the announcement on reallocation and change in use of proceeds dated 19 March 2020 (the “**Announcement**”).

ORIGINAL USE OF PROCEEDS

The Company listed its shares on the GEM of the Stock Exchange on 16 October 2017 (the “**Listing**”). The net proceeds from the Listing, after deducting the listing expenses of approximately HK\$23.7 million, amounted to approximately HK\$31.3 million (the “**Net Proceeds**”), which were slightly lower than the originally estimated net proceeds of approximately HK\$32.0 million. The difference of approximately HK\$0.7 million was adjusted proportionally to the use of proceeds as disclosed in the Prospectus. It was disclosed in the Prospectus that the Net Proceeds were to be applied in the following manner:

- (a) approximately 42.2% of the Net Proceeds (approximately HK\$13.2 million) would be used to broaden the existing customer base, increase market share in the existing target markets and expand into new markets;
- (b) approximately 15.0% of the Net Proceeds (approximately HK\$4.7 million) would be used to enhance design and development capabilities;
- (c) approximately 15.0% of the Net Proceeds (approximately HK\$4.7 million) would be used to enhance the Group’s quality assurance capabilities;

- (d) approximately 20.1% of the Net Proceeds (approximately HK\$6.3 million) would be used to enhance brand recognition and awareness and promote corporate reputation; and
- (e) approximately 7.7% of the Net Proceeds (approximately HK\$2.4 million) would be used for the Group's general working capital.

As per the Announcement, the board (the “**Board**”) of directors (the “**Directors**”) reviewed and resolved to adjust the use of the then remaining unutilised Net Proceeds of approximately HK\$7.3 million allocated for establishment of liaison offices each in Europe and the United States (the “**US**”) to the enhancement of the Company's brands recognition and awareness by means of various promotion and advertising projects.

As at the date of this announcement, the Company has utilised approximately HK\$28.9 million of the Net Proceeds and an amount of approximately HK\$2.4 million remains unutilised for the intended purpose of enhancing design and development capabilities as set out in the Prospectus and the Announcement.

CHANGE IN USE OF PROCEEDS

After prudently and cautiously considering the recent global business environment and the prospective development of the Group, the Board considered that developing the Company's brand name and its products thereunder is one of the major key factors in improving the Group's sales performance. In this connection, the unutilised Net Proceeds previously allocated for enhancement of design and development capabilities will be reallocated to enhancing the Company's brand recognition and awareness by providing more training on existing sales and marketing team, retaining existing sales and marketing team, recruiting more staff in the sales and marketing team, and attending more overseas exhibition fairs in promoting our products.

Following such re-allocation and taking into account the utilisation status of the Net Proceeds as at the date of this announcement, the revised use of the unutilised Net Proceeds (the “**Unutilised Net Proceeds**”) will be as follows:

Business objectives as stated in the Prospectus and the Announcement	Net Proceeds <i>HK\$ million</i>	Utilised amount of Net Proceeds up to the date of this announcement <i>HK\$ million</i>	Unutilised Net Proceeds up to the date of this announcement <i>HK\$ million</i>	Revised allocation of the Unutilised Net Proceeds <i>HK\$ million</i>	Expected timeline for the use of the remaining net proceeds
Broaden the existing customer base, increase market share in the existing target markets and expand into new markets	5.9	5.9	—	—	
Enhance design and development capabilities	4.7	2.3	2.4	—	
Enhance our quality assurance capabilities	4.7	4.7	—	—	
Enhance brand recognition and awareness and promote corporate reputation	13.6	13.6	—	2.4	31 March 2025
General working capital	2.4	2.4	—	—	
Total	31.3	28.9	2.4	2.4	

The Directors are of the view that the revised allocation in the use of the Unutilised Net Proceeds would not materially affect the business of the Group as a whole and will allow the Company to deploy its financial resources more effectively and to enhance the business development of the Group. Based on the above, the Directors consider that the change in use of the Net Proceeds is in the best interests of the Company and its shareholders as a whole.

By Order of the Board
Satu Holdings Limited
She Leung Choi
Chairman

Hong Kong, 1 March 2024

As at the date of this announcement, the executive Directors are Mr. She Leung Choi, Ms. Chan Lai Yin and Mr. She Leung Ngai Alex; and the independent non-executive Directors are Mr. Ho Kim Ching, Mr. Chan Ching Sum Sam and Ms. Fan Pui Shan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website at www.hkexnews.hk for a minimum period of 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.satuhome.com.