

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Tree Holdings Limited
齊家控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8395)

SUPPLEMENTAL ANNOUNCEMENT
TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

Reference is made to the annual report for the year ended 31 March 2020 published by Tree Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 30 June 2020 (the “**2020 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the 2020 Annual Report.

Pursuant to the 2020 Annual Report, the total net proceeds (the “**Net Proceeds**”) from the listing of its shares (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 January 2018 (the “**Listing Date**”) was approximately HK\$20.3 million. The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide additional information to the 2020 Annual Report pursuant to GEM Listing Rules 18.32(8)(b) in relation to the use of the remaining Net Proceeds of approximately HK\$8.0 million (the “**Unutilised Net Proceeds**”) as follows:

FURTHER INFORMATION ON USE OF PROCEEDS FROM OPEN OFFER

The Board of the Company wishes to provide supplemental information regarding the unutilised proceeds in the amount of approximately HK\$8.0 million from the Share Offer conducted in 2018, in particular, the expected timeline of the use of such unutilised proceeds, pursuant to GEM Listing Rule 18.32(8)(b).

As disclosed in the 2020 Annual Report, the net proceeds raised from the Share Offer was approximately HK\$20.3 million. The original allocation of proceeds from the Share Offer, the utilisation and remaining balance of the proceeds as at 31 March 2020, are summarised below:

Uses	Planned	Actual use of	Unutilised	Revised
	use of Net	Net Proceeds	Net Proceeds	allocation
	Proceeds	from the	up to	of the
		Listing Date	31 March	unutilised
		to 31 March	2020	Net Proceeds
	HK\$ million	2020	HK\$ million	HK\$ million
		HK\$ million	HK\$ million	HK\$ million
Expand our sales network	14.5	6.5	8.0	(8.0)
Promote and strengthen brand image and recognition	2.1	2.1	–	–
Enhance styling and consulting services and distribution sales	1.8	1.8	–	–
Enhance operational efficiencies	1.9	1.9	–	–
Settlement of the future consideration payable in relation to the acquisition of Italiving	–	–	–	8.0
Total	<u>20.3</u>	<u>12.3</u>	<u>8.0</u>	<u>–</u>

The Board having considered the business environment and the development of the Group (in particular the political and social unrest in 2019 and the outbreak of the COVID-19 in the PRC and Hong Kong), resolved to change the use of the Unutilised Net Proceeds of approximately HK\$8.0 million for the settlement of the future consideration payable in relation to the acquisition (the “**Acquisition**”) of Hong Kong Italiving International Limited (“**Italiving**”), which was completed on 31 December 2018, as disclosed in the disclosable transaction acquisition announcement dated 17 December 2018. The Group expects to settle an amount of not less than approximately HK\$11.2 million within one month from the date of the audited account of Italiving for the year ending 31 December 2020 in relation to the Acquisition. The settlement of the future consideration payable will be expected in the second quarter of 2021.

The expected timeline for utilising the unutilised Net Proceeds is based on the best estimation of the present market situations in Hong Kong made by the Boards.

The Board confirms that the used net proceeds were applied according to the intentions previously disclosed in the prospectus of the Company dated 12 January 2018 (the “**Prospectus**”).

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

By order of the Board
Tree Holdings Limited
TONG Tang Joseph
Chairman and Chief Executive Officer

Hong Kong, 20 July 2020

As at the date of this announcement, the Board comprises Mr. TONG Tang Joseph, Ms. Mary Kathleen BABINGTON, and Mr. TSUI Wing Tak as executive Directors; and Mr. YEUNG Man Chung Charles, Mr. TSANG Wai Yin, and Mr. SIT Hoi Wah Kenneth as the independent non-executive Directors.

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 other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will appear on the GEM website (www.hkgem.com) for at least seven days after the date of publication and on the website of the Company (www.treeholdings.com).