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**Plus Group Holdings Inc.**

**普樂師集團控股有限公司**

*(A company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2486)**

## **CHANGE IN THE USE OF NET PROCEEDS FROM THE GLOBAL OFFERING**

References are made to (i) the prospectus issued (the “**Prospectus**”) of Plus Group Holdings Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the global offering (the “**Global Offering**”) dated 28 April 2023; and (ii) the interim report of the Company published on 19 September 2024 for the six months ended 30 June 2024 (the “**Interim Report**”), in which the utilisation of the net proceeds from the Global Offering (the “**Net Proceeds**”) up to 30 June 2024 was disclosed. Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in the Prospectus.

The board (the “**Board**”) of directors (“**Director(s)**”) of the Company hereby announces that after careful consideration and detailed evaluation of the Group’s operations and business strategy, the Board has resolved to change the use of the unutilised portion of the Net Proceeds in the manner as set out below.

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

The original intended use of the Net Proceeds, which amounted to approximately HK\$206.7 million (after deducting the underwriting commissions and expenses payable by the Company in relation to the Global Offering), was disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As at 31 October 2024, the Group had utilised approximately HK\$59.4 million of the Net Proceeds and the unutilised portion of the Net Proceeds amounted to approximately HK\$147.3 million (the “**Unutilised Net Proceeds**”).

The Board has resolved to change the use of the Unutilised Net Proceeds as follows:

Intended use of Net Proceeds as disclosed in the Prospectus	Unutilised		Amount to be Adjusted (HK\$ million)	Unutilised Amount after Change (HK\$ million)	Expected Timeline for utilizing the Unutilised Net Proceeds
	Total Amount before Change (HK\$ million)	Amount as at 31 October 2024 (HK\$ million)			
Enhancing the core technology capabilities and fundamental R&D of the Group	66.1	60.5	— (Note 1)	60.5	will be gradually used up to 31 December 2027
Pursuing strategic investment, acquisition and cooperation	62.0	62.0	–62.0	—	—
Enhancing the Group’s capabilities in sales and marketing	42.4	24.8	+ 23.7	48.5	will be gradually used up to 31 December 2027
Repaying the bank borrowings of the Group	15.5	—	—	—	—
Working capital	20.7	—	+ 38.3	38.3	will be gradually used up to 31 December 2027
<b>Total (Note 3)</b>	<b>206.7</b>	<b>147.3</b>	<b>—</b>	<b>147.3</b>	

*Note:*

- The total amount of Net Proceeds to be used for “Enhancing the core technology capabilities and fundamental R&D of the Group” would not be changed whereas the use of such amount would be extended from the (i) continuous maintaining and upgrading of the FMES platform and digitalized tools; and (ii) the establishment of a cloud-based sales and marketing platform as a service (PaaS) system, to also include (iii) the continuous maintaining and upgrading of the existing information technology systems and to support general R&D needs of the Group

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

### (1) Changes in “Enhancing the core technology capabilities and fundamental R&D of the Group”

The Group intends to expand the coverage area of the unutilised HK\$60.5 million allocated for “enhancing core technology capabilities and fundamental R&D” in order to allow the Group to adjust its technology capability and R&D development plan in a more flexible and effective way in accordance with the ever-changing needs of its business development and actual requirements raised by its customers. Whereas the total amount and efforts to be devoted by the Group in “enhancing core technology capabilities and fundamental R&D” would not be reduced.

**(2) Changes in “Pursuing strategic investment, acquisition and cooperation”**

The Group intends to reallocate the unutilised HK\$62.0 million under “Pursuing strategic investment, acquisition and cooperation” to “Enhancing the Group’s capabilities in sales and marketing” and “Working Capital”, mainly because the Group has adopted the strategy to setting up joint ventures with business partners to expanding into new markets and/or business area instead of making acquisitions. Given the uncertainties over the retail market of China which in turn affected the business and financial performance of potential acquisition targets, the Company believes setting up joint ventures is a more prudent approach compared to acquisitions as setting up joint ventures require less initial investment capital and the Company can share the risks of operation (if any) with the business partner of the joint venture. As of the date of this announcement, the Group has successfully set up several joint ventures with strategic business partners for the development of O2O real-time retail marketing services and matching service platform which would enable the Group to out to potential new customers and points of sale from different industries such as the new retail industry and timely service industry. For details of the joint ventures and business update, please refer to the Interim Report and the announcement of the Company dated 30 October 2024. As setting up joint ventures require less capital than acquisitions and subsequent forming of joint ventures, they would require working capital to support their sales and marketing in new business lines and services industries as well as supporting their daily operations, the Group decided to reallocate such Net Proceeds to “Enhancing the Group’s capabilities in sales and marketing” and “Working Capital”.

**(3) Changes in “Enhancing the Group’s capabilities in sales and marketing”**

For the reasons as mentioned in (2) above, the Group would like to reallocate an additional of HK\$23.7 million Net Proceeds to “Enhancing the Group’s capabilities in sales and marketing” in order to support its sales and marketing in new business lines and services industries after the establishment of the joint ventures as well as other sales and marketing needs in its daily operation.

**(4) Changes in “Working capital”**

The Group intends to reallocate an additional of HK\$38.3 million Net Proceeds to “Working capital”, mainly in order to facilitate the working capital of the new established joint ventures as well as to allow the Group to utilise its financial resources in a more flexible, beneficial and effective way. The Board is also of the view that the reallocation will allow the Group to meet its operational needs and provide more buffer to cope with the economic uncertainties in the future.

The Board believes the aforesaid change is fair and reasonable as this would allow the Group to deploy its financial resources more efficiently in maintaining lower gearing ratio and incur less interest expenses, which is in the interest of the Group and the Shareholders as a whole.

## GENERAL

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus, and considers that the Change in the use of Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its Shareholders as a whole.

As to the progress of the use of Net Proceeds, the Company will provide updates to the Shareholders through disclosures in its annual report and interim report. The Company will make further announcement(s) in accordance with the requirements under the relevant Listing Rules and other applicable laws as and when appropriate. The Board will continuously monitor the use of Net Proceeds and may revise or amend the plan for such use where necessary while in compliance with the relevant Listing Rules and other applicable laws to cope with market conditions and strive for better business performance of the Group.

The Board will continuously assess the changing market conditions and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for better performance of the Group.

By Order of the Board  
**Plus Group Holdings Inc.**

**Mr. Sun Guangjun**

*Chairman, executive Director and chief executive officer*

Hong Kong, 22 November 2024

*As at the date of this announcement, the Board comprises Mr. Sun Guangjun as the chairman, an executive Director and chief executive officer, and Mr. Yang Hong as an executive Director, and Mr. Lau Man Tak, Ms. Lin Feng and Mr. Ngan Wing Ho as independent non-executive Directors.*