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eBROKER GROUP LIMITED

電子交易集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8036)

SUPPLEMENTAL ANNOUNCEMENT

IN RELATION TO

THE 2019 ANNUAL REPORT AND THE 2020 INTERIM REPORT

Reference is made to the annual report of eBroker Group Limited (the “**Company**”) for the year ended 31 December 2019 (the “**2019 Annual Report**”) and the interim report for the six months ended 30 June 2020 (the “**2020 Interim Report**”). Unless otherwise stated, capitalised terms used in this supplemental announcement shall bear the same meanings as those defined in the 2019 Annual Report.

In addition to the information disclosed under the sub-section headed “Use of Proceeds from Listing” in the section “Management Discussion and Analysis” in the 2019 Annual Report and the 2020 Interim Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the following additional information regarding the expected timeline for the utilisation of the unutilised proceeds from the Listing to the 2019 Annual Report and the 2020 Interim Report.

The Company allotted and issued 230,000,000 ordinary shares on 19 February 2019 at a price of HK\$0.28 per share and raised total gross proceeds of approximately HK\$64.4 million from the Listing. Details of allotment results in connection with the Listing are set out in the announcement of the Company published on 18 February 2019. The net proceeds from the Listing were approximately HK\$23.3 million, and approximately HK\$22.63 million and HK\$12.5 million remained unutilised as at 31 December 2019 and 30 June 2020, respectively. The expected timeline for utilising the remaining

amount of the unutilised net proceeds is set out below:

Description of intended use of proceeds	Net proceeds <i>HK\$ million</i>	Actual use of	Actual use of	Unutilised amount as at 30 June 2020 <i>HK\$ million</i>	Expected timeline of full utilisation of the remaining net proceeds
		proceeds from Listing Date to 31 December 2019 <i>HK\$ million</i>	proceeds from Listing Date to 30 June 2020 <i>HK\$ million</i>		
Expand the business in Wealth Management Solution	2.6	0.23	0.51 <i>(Note 1)</i>	2.09	By end of 31 December 2022
Improve the user trading applications	6.8	0.23	0.51 <i>(Note 2)</i>	6.29	By end of 31 December 2022
Expand the managed cloud services to local brokerage firm clients	2.6	0.21	0.35 <i>(Note 3)</i>	2.25	By end of 31 December 2022
Establish a research and development centre in the PRC	10.7	–	9.43 <i>(Note 4)</i>	1.27	By end of 31 December 2022
General working capital	0.6	–	–	0.6	By end of 31 December 2022
Total	23.3	0.67	10.8	12.5	

Notes:

- Up to 30 June 2020, approximately HK\$0.51 million of the net proceeds was utilised for the man power investment by hiring an experienced business analysis for expanding business in Wealth Management Solution.
- Up to 30 June 2020, approximately HK\$0.51 million of the net proceeds was utilised for the man power investment by hiring an experienced business analysis for improving user trading applications.
- Up to 30 June 2020, approximately HK\$0.35 million of the net proceeds was utilised for the man power investment by hiring a network support engineering for running the cloud services for local brokerage firm clients.
- As there was a delay in the set up of the PRC subsidiary and difficulty in identifying a suitable property for acquisition for use as the Group's research and development centre in the PRC, the utilisation of the relevant proceeds had been delayed. On 22 January 2020, the Group entered into a sale and purchase agreement and supplemental agreement to acquire an office premises in Shenzhen, the PRC and completion of the said acquisition took place on 29 April 2020. Reference is made to the announcements made by the Company on 22 January 2020, 6 February 2020 and 29 April 2020 regarding the acquisition of property in the PRC and change of use of proceeds.

During the year ended 31 December 2019 and the six months ended 30 June 2020, the actual application for the net proceeds from the Listing were used according to the purposes previously disclosed in the Prospectus. The delay in the application of the intended use of proceeds was mainly due to the social unrest in Hong Kong in the second half of 2019 and the outbreak of COVID-19 which have an adverse impact on the local and global economic environment. Hence, the Group considers the conservative approach in postponing the utilisation of the remaining net proceeds for the above intended use of proceeds. Save for the timing of the expected utilisation of the remaining net proceeds as set out above, there was no material change in the use of proceeds, and that unutilised amount is expected to be used in accordance with the purposes as disclosed in the Prospectus. Given the impacts of the COVID-19 on the economy, the Company will continue to evaluate and adopt a prudent approach for utilising the net proceeds effectively and efficiently for the long-term benefit and development of the Group.

The expected timeline of full utilisation the remaining proceeds was based on the best estimation made by the Group with reference to the present and future market conditions, and may change with the current market condition and future development. In the event there is any further change in the use of proceeds as disclosed in the Prospectus, a further announcement will be made by the Company as and when appropriate.

The Board confirmed that the above supplemental information does not affect other information contained in the 2019 Annual Report and the 2020 Interim Report. Save as disclosed above, the contents of the 2019 Annual Report and the 2020 Interim Report remain unchanged.

By order of the Board
eBroker Group Limited
Chan Lap Tak, Douglas
Chairman

Hong Kong, 21 August 2020

As at the date of this announcement, the executive Directors are Mr. CHAN Lap Tak, Douglas and Mr. LO Chi Ho and the independent non-executive Directors are Mr. CHAN Chi Kwong Dickson, Mr. LIU Kin Sing and Mr. AU YEUNG Po Fung.

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 website of GEM at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.ebrokersystems.com.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.