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STATE INNOVATION HOLDINGS LIMITED

國科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8275)

CHANGE IN USE OF PROCEEDS

Reference is made to the announcement of State Innovation Holdings Limited (the “**Company**”) dated 23 May 2022, 13 June 2022, the circular of the Company dated 2 September 2022 (the “**Announcement and Circular**”) and the announcement of the Company dated 12 December 2022 (the “**Termination Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement and Circular and the Termination Announcement.

CHANGE IN USE OF PROCEEDS FROM PLACING

The net proceeds (after deducting the relevant expenses) from the Placing will be up to approximately HK\$29.4 million (the “**Net Proceeds**”). As at the date of this announcement, the Placing is not completed and the Net Proceeds have not been utilised. For reasons set out below in the section headed “Reasons for the Change in Use of the Net Proceeds” in this announcement, the Company intended to apply and utilise the Net Proceeds as follows:

Intended use	Planned use of the Net Proceeds <i>HK\$' million</i> <i>(Approximately)</i>	Unutilised amount of the Net Proceeds as at the date of this announcement <i>HK\$' million</i> <i>(Approximately)</i>	Proposed change of use of the Net Proceeds	Revised allocation of the Net Proceeds <i>HK\$' million</i> <i>(Approximately)</i>
Satisfy the partial consideration of the Acquisition	9	9	For the financial assistance business	–
Increase the paid-up share capital and liquid capital of the Target Group	20.4	20.4	For the financial assistance business	–
For the financial assistance business	–	–	Not applicable	29.4
	<hr/>	<hr/>		<hr/>
Total	<u>29.4</u>	<u>29.4</u>		<u>29.4</u>

Reasons for the Change in Use of the Net Proceeds

As disclosed in the Termination Announcement, the Company has terminated the Acquisition Agreement and as stated in the Announcement and Circular, the Net Proceeds of the Placing will be used to acquire other potential target or invest into other business opportunities or for other business developments.

The Group intended to use the Net Proceeds to develop the financial assistance business. Having considered the current market situation, the Board still believes that the finance and fintech industry has a promising prospect, and the above-mentioned financial assistance business will enhance the Group to benefit from diversified revenue stream.

The Board considers that the change in use of proceeds is fair and reasonable and will allow the Company to utilise its financial resources more effectively to enhance the profitability of the Group. The Directors also confirm that the above change in use of proceeds shall not have any material adverse impact on the operations of the Group and is in the interests of the Group and the Shareholders as a whole.

By order of the Board
STATE INNOVATION HOLDINGS LIMITED
Tang Kwai Leung Stanley
Chairman and Executive Director

Hong Kong, 14 December 2022

As at the date of this announcement, the Board comprises Mr. Tang Kwai Leung Stanley and Mr. Chui Koon Yau as executive Directors; and Mr. He Dingding, Ms. Chan Tsz Hei Sammi and Ms. Liu Ching Man as independent non-executive Directors.

This announcement, for which the directors of the Company 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 of the Company, 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.beavergroup.com.hk.