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## **IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8446)**

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

Reference is made to the prospectus issued by In Technical Productions Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 May 2017 (the “**Prospectus**”) in relation to the placing and public offer (the “**Share Offer**”) of the Company’s shares for the listing on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Unless otherwise defined, terms used in the Prospectus shall have the same meanings in this announcement.

#### **USE OF PROCEEDS**

It was disclosed in the section headed “Statement of Business Objectives and Use of Proceeds” in the Prospectus that the Company intended to use the net proceeds of the Share Offer (assuming the net proceeds was HK\$35.5 million) for the following purposes:

1. approximately 27.8% of the net proceeds, or approximately HK\$9.9 million, for repayment of bank loans (the “**Repayment of bank loans**”) used for financing working capital purposes and purchase of equipment with variable interest rates ranging from 1% below to 2% above the prime rate fixed by the relevant lending bank per annum or fixed interest rate of 7.3% per annum and the maturity dates ranging from 31 July 2017 to 11 November 2021;
2. approximately 32.7% of the net proceeds, or approximately HK\$11.6 million, for acquisition of additional LED panels and video control units in relation to the expansion of the Group’s business in Shanghai (the “**Acquisition of visual display equipment**”). Out of the HK\$11.6 million, approximately HK\$10.4 million and HK\$1.2 million will be used for the acquisition of additional LED panels and video control units, respectively;
3. approximately 30.0% of the net proceeds, or approximately HK\$10.6 million, for settlement of payables for new visual display equipment for Concert Tour A which are to be paid by the Group to the relevant supplier by instalment pursuant to a contract entered into between the Group and the supplier (the “**Settlement of payables**”);

4. approximately 4.7% of the net proceeds, or approximately HK\$1.7 million, for recruitment of a creative director in relation to the expansion of the Group's business presence for providing visual display solutions for corporate events and exhibitions (the “**Recruitment of a creative director**”); and
5. the remaining amount of approximately 4.8% of the net proceeds, or approximately HK\$1.7 million, will be used to provide funding for the Group's working capital (the “**Working capital**”).

The actual net proceeds from the Share Offer (after deducting the relevant expenses) was approximately HK\$34.5 million (the “**IPO Proceeds**”). An amount of approximately HK\$3.0 million of the IPO Proceeds remains unutilised as at the date of this announcement.

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has resolved to change the use of approximately HK\$1.7 million out of the remaining unutilised IPO Proceeds. Breakdown of the use of the proceeds as stated in the Prospectus, breakdown of the IPO Proceeds utilised up to the date of this announcement and the proposed change of use of the remaining unutilised IPO Proceeds (the “**Proposed Change**”) are summarised as follows:

	<b>Proposed Use of Proceeds stated in the Prospectus (adjusted according to the actual IPO Proceeds received) (HK\$ million) approximately</b>	<b>Utilised IPO Proceeds up to the date of this announcement (HK\$ million) approximately</b>	<b>Unutilised IPO Proceeds (HK\$ million) approximately</b>	<b>Proposed Change of the unutilised IPO Proceeds (HK\$ million) approximately</b>
Repayment of bank loans	9.9	8.6	1.3	—
Acquisition of visual display equipment	11.6	11.6	—	—
Settlement of payables	10.6	10.6	—	—
Recruitment of a creative director	1.7	—	1.7	(1.7)
Recruitment of staff for the Group's business expansions in Macau	—	—	—	1.7
Working capital (after deducting the relevant expenses)	0.7	0.7	—	—
	<u>0.7</u>	<u>0.7</u>	<u>—</u>	<u>—</u>
<b>Total</b>	<u><u>34.5</u></u>	<u><u>31.5</u></u>	<u><u>3.0</u></u>	<u><u>—</u></u>

## REASONS FOR THE PROPOSED CHANGE

The IPO Proceeds allocated for the recruitment of a creative director for corporate events and exhibitions has not been utilised. After the Company obtaining a listing status on the GEM, the customers' confidence in the Group was enhanced and the Group's existing management team has been able to (i) identify new business opportunities; (ii) develop the Group's customer network; and (iii) forge the Group's presence as a visual display solution provider serving for corporate events and exhibitions and the Group has solicited more businesses in pop concerts as well as maintaining a stable stream of revenue from other live events, which reduced the Group's need to recruit a creative director for corporate events and exhibitions.

Whilst the Company envisages the need of funds for developing its own service team in Macau for expanding its business there. The Group has set up a wholly owned subsidiary in Macau (the “**Macau Subsidiary**”) in November 2017. After commencement of the operation of the Macau Subsidiary, the Group has been able to increase its revenue from both pop concerts and other live events in Macau. In light of this, the Company decides to recruit more staff for the business expansions in Macau.

To better utilise the IPO Proceeds, the Company decides to reallocate the unutilised IPO proceeds under the recruitment of a creative director for corporate events and exhibitions to the recruitment of staff for the Group's business expansions in Macau for the purpose of accommodating the new business focus and strategies of the Company.

The Board considers that the Proposed Change is in the best interest of the Company and its shareholders as a whole. The Proposed Change will allow the Company to deploy its financial resources more effectively.

By order of the Board  
**In Technical Productions Holdings Limited**  
**Yeung Ho Ting Dennis**  
*Chairman*

Hong Kong, 28 August 2018

*As at the date of this announcement, the executive Directors are Mr. Yeung Ho Ting Dennis (Chairman), Mr. Tam Chun Yu, the non-executive Director is Mr. Law Wang Chak Waltery and the independent non-executive Directors are Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis.*

*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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deception; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the Company's website at [www.intechproductions.com](http://www.intechproductions.com).*