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途屹控股

**TU YI HOLDING COMPANY LIMITED**  
**途屹控股有限公司**

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

**(Stock code: 1701)**

**CHANGE OF USE OF PROCEEDS**

References are made to the prospectus (the “**Prospectus**”) dated 18 June 2019, the annual report for the year ended 31 December 2020 the (“**2020 Annual Report**”) and the interim report for the six months ended 30 June 2021 of Tu Yi Holding Company Limited (the “**Company**” together with its subsidiaries, the “**Group**”). Unless otherwise defined, terms used herein shall have the same meaning as defined in the 2020 Annual Report. As at the date of this announcement, the Company has utilised approximately HK\$70.4 million of the Net Proceeds, and the unutilised Net Proceeds was approximately HK\$17.6 million.

**CHANGE OF USE OF PROCEEDS**

As mentioned in the annual report of the Group for the year ended 31 December 2023 the (“**2023 Annual Report**”), the revenue from sales of day tours in Japan increased significantly to RMB41.3 million, accounting for 44.6% of the Group’s total revenue. The management anticipates a further substantial increase in revenue for the year ending 31 December 2024, driven by continued robust demand. Consequently, the Group’s day tours business will require additional tour bus transportation capacity to enable the Group to capture such growing demand.

Having carefully considered the business and development needs of the Group as mentioned above, the Board has reviewed the current utilisation of the Net Proceeds and resolved to adjust the use of the Net Proceeds originally designated for acquiring hospitality asset in Kyoto, Japan.

As disclosed in the 2023 Annual Report, approximately 20% of the Net Proceeds (approximately HKD17.6 million) would be used for acquiring hospitality asset in Kyoto, Japan (the “**Intended Usage**”). Due to the reason as mentioned above, the Board resolved to change the Intended Usage of the Net Proceeds and approved that such amount being approximately 20% of the Net Proceeds (approximately

HKD17.6 million) shall be reallocated to increase tour bus transportation capacity in Japan, the measures of which include but are not limited to:- 1) buying tour buses in Japan; and 2) acquiring tour bus businesses in Japan.

As such, the unutilised Net Proceeds will be applied as follows:

Description	Intended use of	Utilised	Original	Revised	Expected
	Net Proceeds as disclosed in the 2023 Annual Report	Net Proceeds as at 31 December 2023	Unutilised Net Proceeds as at 31 December 2023	allocation of Net Proceeds as at the date of this announcement	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(i) Enhancing the Group's product portfolio by developing new products and services	1,760	(1,760)	–	–	–
(ii) Purchasing tour buses and engaging third party tour bus operators	11,440	(11,440)	–	–	–
(iii) Acquiring hospitality asset in Kyoto, Japan	17,600	–	17,600	–	–
(iv) Increasing the tour bus transportation capacity in Japan	–	–	–	17,600	Before or around 31 December 2024
(v) Investing in enhancing the Group's marketing approaches together with its IT platform	17,600	(17,600)	–	–	–
(vi) Engaging more personnel in Japan	13,200	(13,200)	–	–	–
(vii) General working capital	26,400	(26,400)	–	–	–
<b>Total</b>	<b>88,000</b>	<b>(70,400)</b>	<b>17,600</b>	<b>17,600</b>	

## REASONS FOR THE CHANGE OF INTENDED USAGE

In light of the continued robust demand for sale of day tours in Japan, in order to better utilise the remaining balance of Net Proceeds more effectively, the Board considers that it would be in the interests of the Group to reallocate the Net Proceeds originally designed for acquiring hospitality asset in Kyoto, Japan, to increasing the tour bus transportation capacity in Japan.

As at the date of this announcement, the Directors confirm that there is no material change in the nature of business of the Group as set out in the Prospectus. The Directors consider the above change in the use of the Net Proceeds is fair and reasonable as this allows the Group to deploy its financial resources more effectively to enhance the profitability of the Group and is in the interests of the Group and its shareholders as a whole.

The Board confirms that, save as disclosed in this announcement, there are no other changes to the intended usages and original allocations of the unutilised Net Proceeds as at the date of this announcement.

By order of the Board  
**Tu Yi Holding Company Limited**  
**Yu Dingxin**  
*Chairman and executive Director*

The People's Republic of China, 3 June 2024

*As at the date of this announcement, the Board comprises four executive Directors: Mr. Yu Dingxin, Mr. Pan Wei, Mr. Xu Jiong and Mr. An Jiajin and three independent non-executive Directors: Mr. Zhao Jianbo, Ms. Zhou Li and Mr. Ying Luming.*