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Champion Alliance International Holdings Limited

冠均國際控股有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 1629)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

DELAY IN USE OF PROCEEDS

Reference is made to (i) the annual report of Champion Alliance International Holdings Limited (the “**Company**”) for the year ended 31 December 2022 (the “**2022 Annual Report**”); and (ii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2023 Annual Report.

As disclosed in the 2022 Annual Report, the net proceeds (the “**Listing Proceeds**”) from the Listing were approximately HK\$42.2 million (equivalent to approximately RMB37.6 million) and as at 31 December 2022, the Company had already utilised RMB13.546 million and the remaining balance of RMB24.039 million (the “**Remaining balance of Net Proceeds**”) was yet to be utilised as disclosed in the 2022 Annual Report. It was also disclosed in the 2022 Annual Report that the Company intended to use RMB2.195 million and RMB21.844 million for (i) purchase and upgrade of production equipment, as well as expansion and maintenance of the production facilities; and (ii) expansion and upgrade of non-production facilities, including but not limited to warehouse and other supporting facilities during the year ended 31 December 2023 and the year ending 31 December 2024 respectively.

As disclosed in the 2023 Annual Report, as at 31 December 2023, the Remaining balance of Net Proceeds were yet to be utilised and the Company intended to use RMB2.195 million and RMB21.844 million for (i) purchase and upgrade of production equipment, as well as expansion and maintenance of the production facilities; and (ii) expansion and upgrade of non-production facilities, including but not limited to warehouse and other supporting facilities during the year ending 31 December 2024 and the year ending 31 December 2025 respectively.

The Company would like to supplement that the above delay in use of Listing Proceeds was mainly due to the uncertainty arising from the economic downturn during the year ended 31 December 2023. The Company originally intended to apply RMB2.195 million for (i) purchase and upgrade of production equipment, as well as expansion and maintenance of the production facilities; and (ii) expansion and upgrade of non-production facilities, including but not limited to warehouse and other supporting facilities for its household paper products business segment during the year ended 31 December 2023. However, given the economic downturn, the Company was taking a more cautious attitude towards cost control and investment activities and the Company end up decided to lease the production equipment and other facilities instead of purchasing and upgrading them in the early 2024.

As at the date of this announcement, the Company has reassessed its need to purchase and upgrade both production equipment and facilities and non-production facilities and if the situation remains unchanged, it is currently expected that the Company will utilise the Remaining balance of Net Proceeds in accordance with the use and the expected timeline as disclosed in the 2023 Annual Report.

By Order of the Board
Champion Alliance International Holdings Limited
Chen Chen
Executive Director

Hong Kong, 19 July 2024

As at the date of this announcement, the Board comprises Mr. Chen Chen, Mr. Chen Xiaolong, Mr. Hu Enfeng, Mr. Li Aiguo and Ms. Luo Yanhong as executive Directors and Mr. Chen Hua, Mr. Zhao Zhendong and Mr. Chin Chi Ho Stanley as independent non-executive Directors.