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WMCH GLOBAL INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8208)

VOLUNTARY ANNOUNCEMENT DISPOSAL OF INVESTMENT IN AN ASSOCIATE

DISPOSAL OF INVESTMENT IN AN ASSOCIATE

The Board hereby announces on a voluntary basis that on 18 December 2024 (after trading hours), the Company (as vendor) and the Purchaser (as purchaser) entered into the Sale and Purchase Agreement for the Disposal. Pursuant to the Sale and Purchase Agreement, the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing 40% of the issued share capital of the Target Company.

Completion took place on 18 December 2024, upon which the Company ceases to hold any shareholding interest in the Target Company.

This announcement is made by the Company on a voluntary basis.

Reference is made to (i) the announcements of the Company in relation to the acquisition of the Sale Shares by the Company from the Purchaser dated 31 May 2021 and 13 July 2021 (the “**Announcements**”); (ii) the profit warning of the Company and the supplemental announcement thereto dated 31 May 2022 and 6 June 2022, respectively (the “**Profit Warning Announcements**”); (iii) the annual report of the Company for FY2021 (the “**2021 Annual Report**”); (iv) the annual report of the Company for FY2022 (the “**2022 Annual Report**”); (v) the annual report of the Company for FY2023 (the “**2023 Annual Report**”); and (vi) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”).

DISPOSAL OF INVESTMENT IN AN ASSOCIATE

The Board hereby announces that on 18 December 2024 (after trading hours), the Company (as vendor) and the Purchaser (as purchaser) entered into the Sale and Purchase Agreement in respect of the Disposal. Pursuant to the Sale and Purchase Agreement, the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing 40% of the issued share capital of the Target Company.

Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date

18 December 2024 (after trading hours)

Parties to the Sale and Purchase Agreement

Vendor: The Company

Purchaser: Mr. Lau Yu Fung

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, the Purchaser is an Independent Third Party.

Sale Shares

Pursuant to the Sale and Purchase Agreement, the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing 40% of the issued share capital of the Target Company.

The information regarding the Target Company is set out in the section headed "INFORMATION OF THE TARGET COMPANY AND THE PURCHASER" below in this announcement.

Consideration

The Consideration is the nominal amount of HK\$1, which has been settled by the Purchaser in cash at Completion. For details of the basis on which the Consideration was determined, please refer to the paragraph headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" below in this announcement.

Completion

Completion has taken place on the execution of the Sale and Purchase Agreement on 18 December 2024, upon which the Company ceases to hold any shareholding interest in the Target Company.

INFORMATION OF THE TARGET COMPANY AND THE PURCHASER

The Target Company is a company incorporated in Hong Kong with limited liability in 2013. As disclosed in the Announcements, the Sale Shares were acquired by the Company from the Purchaser on 13 July 2021, upon which the Company's interest in the Target Company was classified as interest in an associate and was accounted for in the Group's consolidated financial statements using equity method of accounting.

Immediately before Completion, the Target Company was owned as to approximately 60% and 40% by the Purchaser and the Company, respectively, with the Purchaser being the controlling shareholder and the sole director of the Target Company. Immediately after Completion, the Purchaser has become the sole shareholder and sole director of the Target Company.

To the best of the Director's knowledge, information and belief having made reasonable enquiries, (i) the Target Company was principally engaged in professional valuation and consultancy services to corporate customers in Hong Kong and overseas; and (ii) the Purchaser is an Independent Third Party.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company and the Group is principally engaged in the provision of civil and structural engineering consultancy services mainly in Singapore, Vietnam and Hong Kong.

REASONS FOR AND BENEFITS OF THE DISPOSAL

(i) Resolving the Audit Issue in the most efficient and cost-effective manner

As disclosed in the 2023 Annual Report, despite the Company's repeated requests to the Target Company, the Company was not provided with the financial information and corporate records of the Target Company (particularly from FY2023 onwards). The auditors of the Company were therefore unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's interest in the Target Company as at 31 December 2023 and the Group's share of the Target Company's result and exchange difference arising on translation of its financial information for FY2023 (the "**Audit Issue**"). Due to the Audit Issue, the auditors of the Company issued a qualified opinion in respect of the Group's financial statements for FY2023. Please refer to the section headed "Corporate Governance Report — Qualified Opinion" and the qualified opinion in the Independent Auditors' Report in the 2023 Annual Report for further details.

Although the Company has instructed its legal advisers to issue numerous legal letters to the Target Company and the Purchaser from time to time, details of which are set out in the 2023 Annual Report and the 2024 Interim Report, the Company had not been provided access to the Target Company's financial information and corporate records for FY2023 and onwards. Hence, the Directors consider it is unlikely that any further requests to the Purchaser for the financial information and/or corporate records of the Target Company would be met with positive feedback in the near future.

The Directors consider that it would be in the best interests of the Company and its shareholders for the Audit Issue to be resolved as soon as possible, so as to ensure that the consolidated financial statements of the Company for the upcoming financial years can give a true and fair view of the Group's financial position and financial performance in accordance with the applicable accounting standards and statutory requirements. As such, the Company has consulted its legal advisers on the legal actions it may take against the Target Company and the Purchaser for the purpose of resolving the Audit Issue. As advised by the Company's legal advisers, although the chance of success for such legal actions is positive, considerable amount of human resources and legal costs will be incurred throughout the court proceedings and it is estimated that the Company will spend three to four years to resolve the Audit Issue through initiating legal proceedings against the Target Company and the Purchaser.

Based on the above, the Directors consider that the Disposal is the most efficient and cost-effective way to achieve a "clean break" from the Target Company and hence resolve the Audit Issue, as the Company would not have to incur a considerable amount of time, human resources and legal costs, from time to time, to initiate legal proceedings against the Target Company and the Purchaser.

(ii) Serious doubts as to the financial position and business operation of the Target Company

Based on the financial information of the Target Company when the Company was still able to obtain its financial records, the financial performance of the Target Company for FY2022 was on a substantial decline. As disclosed in the Profit Warning Announcements, the 2021 Annual Report and the 2022 Annual Report, after the acquisition of the Sale Shares in 2021, the financial performance of the Target Company significantly deteriorated, which led to the Group's recognition of impairment losses of interest in an associate of approximately SGD7.9 million (equivalent to approximately HK\$45.2 million) and approximately SGD24,000 (equivalent to approximately HK\$0.14 million) for FY2021 and FY2022 respectively. Such deterioration in financial performance was mainly due to the unforeseeable delay or cancellation of certain valuation projects undertaken by the Target Company during the fourth quarter of FY2021, the consequential effect of which has since continued in FY2022. As disclosed in the 2023 Annual Report, the carrying amount of the Group's interest in the Target Company was fully impaired on the basis of decline on the recoverable amount which was below the carrying amount due to continuous weak market performance in which the Target Company operated.

In mid-2023, the landlord of the Target Company's previous registered address (the "**Previous Registered Address**") notified the Company that the Target Company had failed to pay rent, and that the Bailiff had visited the Previous Registered Address to recover the premises for the landlord. This gives rise to serious doubts as to the Target Company's financial position.

On top of the above, the Company takes note that (i) no annual general meeting of the Target Company has been held since the acquisition of the Sale Shares in 2021; (ii) despite the Company's repeated requests, the management of the Target Company has been uncooperative and the Company was not provided with the relevant financial information of the Target Company since 2023; and (iii) the Target Company has persistently failed to comply with various requirements of the Companies Ordinance and the articles of association of the Target Company, including late filings of annual returns with the Companies Registry. All of the above facts and information cast serious doubts as to whether the Target Company is still in business operation.

Based on the above, the Directors consider that the Company's interest in the Target Company is no longer capable of bringing any benefits to the Company nor any value to its shareholders and it would be financially prudent for the Company and its shareholders to achieve a "clean break" from the Target Company, rather than continuing to hold any interest in the Target Company, so as to save any unnecessary time and costs in trying to obtain the financial information and corporate records of the Target Company.

(iii) Difficulty in disposing of the Sale Shares to other potential purchasers at a valuable consideration

To achieve a "clean break" with the Target Company and to resolve the Audit Issue, the Company has approached several potential purchasers (other than the Purchaser) for the disposal of the Sale Shares. However, as part of the due diligence, the potential purchasers requested for the latest financial information and corporate records of the Target Company for the purpose of determining the value of the Target Company and hence the sale price. Since the Company does not possess the latest financial information and corporate records of the Target Company, and given all the facts and information gathered by the Company recently has casted serious doubts as to the financial position and business operation of the Target Company, all potential purchasers were hesitated in purchasing the Sale Shares. As such, the Directors consider that it is extremely difficult for the Company to find a purchaser who is willing to purchase the Sale Shares at a valuable consideration.

By reason of the foregoing, the Directors consider that the Disposal under the Sale and Purchase Agreement is a viable way to achieve a "clean break" from the Target Company and hence resolve the Audit Issue. By avoiding further substantial time and costs to be incurred by the Company to resolve the Audit Issue, the Directors consider that the Disposal is in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

The Group will record a gain of HK\$1 as a result of the Disposal.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	WMCH Global Investment Limited (Stock Code: 8208), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM of the Stock Exchange
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Consideration”	HK\$1, being the consideration for the Disposal under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the Sale and Purchase Agreement
“FY2021”	the year ended 31 December 2021
“FY2022”	the year ended 31 December 2022
“FY2023”	the year ended 31 December 2023
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third party(ies) independent of and not connected with the Company and its connected persons

“Purchaser”	Mr. Lau Yu Fung, an Independent Third Party
“Sale and Purchase Agreement”	the sale and purchase agreement dated 18 December 2024 and entered into between the Company and the Purchaser in relation to the Disposal
“Sale Share(s)”	800,000 ordinary shares in the Target Company, representing 40% of the issued capital of the Target Company, to be bought and sold pursuant to the Sale and Purchase Agreement
“SGD”	Singapore dollar(s), the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Eidea Professional Services Company Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

By order of the Board
WMCH Global Investment Limited
Wong Seng
Chairman and Executive Director

Hong Kong, 3 January 2025

In this announcement, unless otherwise indicated, the exchange rate of HK\$1 = SGD5.72 has been used for illustration purpose only

As at the date of this announcement, the executive Directors of the Company are Mr. Wong Seng, Ms. Leow Geok Mui, Mr. Lim Chin Keong, Mr. Heng Kim Huat and the independent non-executive Directors of the Company are Dr. Tan Teng Hooi, Mr. Leong Jay and Mr. Ng Shing Kin.

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, 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 at www.hkexnews.hk for at least 7 days from the date of its posting and will also be published on the Company’s website at www.tw-asia.com.