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WMCH GLOBAL INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8208)

CHANGE IN USE OF PARTS OF PROCEEDS

Reference is made to the prospectus of WMCH Global Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 November 2019 (the “**Prospectus**”) and the annual report of the Company for the year ended 31 December 2022 published on 31 March 2023 (the “**2022 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the 2022 Annual Report.

ORIGINAL USE OF PROCEEDS

As disclosed in the Prospectus, the net proceeds raised from the listing of the Shares on GEM, after deducting the related expenses were approximately HK\$21.1 million (the “**Net Proceeds**”). The Company had intended to use the Net Proceeds for the following purposes:

- (i) approximately HK\$8.7 million, representing approximately 29.3% of the net proceeds, will be used to expand our operation in Singapore;
- (ii) approximately HK\$7.0 million, representing approximately 23.5% of the net proceeds, will be used for expanding our operation in Vietnam;
- (iii) approximately HK\$5.6 million, representing approximately 18.8% of the net proceeds, will be used for staff recruitment, rental and other related expenses for our supporting office already leased in Sheung Wan, Hong Kong;
- (iv) approximately HK\$3.5 million, representing approximately 11.8% of the net proceeds, will be used for enhancing our information technology system;
- (v) approximately HK\$2.2 million, representing approximately 7.4% of the net proceeds, will be used for research and development on PPVC knowhow;
- (vi) approximately HK\$0.4 million, representing approximately 1.4% of the net proceeds, will be used for sales and marketing, including online marketing and advertisement;
- (vii) approximately HK\$0.5 million, representing approximately 1.8% of the net proceeds, will be used for setting up local scholarships in Singapore for NUS students studying civil and structural engineering; and

(viii) approximately HK\$1.8 million, representing approximately 6.0% of the net proceeds, will be used for working capital and other general corporate purposes.

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the amount of unutilized Net Proceeds is approximately HK\$15.7 million.

The board of directors of the Company (the “**Board**”) has resolved to change the use of the remaining unutilized Net Proceeds after taking into account the recent business environment and development of the Group. The unutilized Net Proceeds up to the date of this announcement and the proposed change in the use of the remaining unutilized Net Proceeds (the “**Proposed Change**”) are summarized below:

Business Strategies	Allocation of Net Proceeds		Approximate actual amount utilised up to the date of this announcement	Unused amount of Net Proceeds as at the date of this announcement	Revised allocation of the unused amount	
	HKD'million	%	HKD'million	HKD'million	HKD'million	%
Expand our operation in Singapore	6.2	29.3%	0.9	5.3	0.9	5.6%
Expand our operation in Vietnam	4.9	23.5%	0.2	4.7	1.0	6.2%
Setting up a supporting office in Hong Kong	4.0	18.8%	0.5	3.5	1.0	6.2%
Enhancement of our information technology system	2.5	11.8%	0.1	2.4	0.8	5.0%
Improved our PPVC knowhow by investing further in research and development	1.5	7.4%	1.5	—	5.5	34.2%
Sales and marketing	0.3	1.4%	0.3	—	0.5	3.1%
Scholarships	0.4	1.8%	0.2	0.2	0.2	1.2%
Working capital	1.3	6.0%	1.3	—	6.2	38.5%
	<u>21.1</u>	<u>100.0%</u>	<u>5.0</u>	<u>16.1</u>	<u>16.1</u>	<u>100.0%</u>

The unutilised Net Proceeds are expected to be fully utilised on or before 31 December 2024 in accordance with the expected timeline as set out above. Such expected timeline is based on the estimation made by the Group which might be subject to changes in accordance with the change in market conditions from time to time.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF NET PROCEEDS

The Company is of the view that with the uncertainties in the global market following the increase in global inflation, hike in interest rate and unfavorable circumstances brought about by the COVID-19 pandemic, the market remains challenging and highly competitive. While the industry was hard hit by the macro market conditions, competitors have adopted a more competitive project pricing strategy.

Having considered the uncertainties arising from the COVID-19 pandemic and its substantial negative impacts to the general global economic and market conditions, the Board intends to adopt a more cautious and conservative business strategy for the Group by remaining cautious in expanding its business while maintaining working capital in order to control its operating costs, so as to bolster the Group's ability to respond to any market fluctuations, and business and operating needs.

Accordingly, the Group expects the plan of expansion of operations in Singapore, Vietnam and Hong Kong will slow down. Relocation to new office and related fitting out and refurbishment would not be the priority in current stage due to high rental rate and high costs for hiring, but instead, the Group will focus more on the research and development of the PPVC knowhow. The Board is of the view that the current priority should be placed on its existing operations by maintaining the quality services and considers it is more crucial and necessary to increase its cash allocation for working capital in order to handle operating costs, such as retention costs of valuable staff who involved in the PPVC knowhow and experienced senior staff, training for junior staff with the more update skills with 3D modelling system, rental expenses, staff costs and other operating expenses. In addition, the Company will continue to build upon its marketing and promotional strategy to increase the Group's brand awareness in the industrial market to attract more potential customers.

The Directors consider that the development direction of the Company is still in line with the disclosures in the Prospectus in spite of the change in use of proceeds as stated above. The Board confirms that there are no material changes in the nature of business of the Group. The Board is of the view that the change in use of the unutilised Net Proceeds will enable the Group to effectively meet the financial needs of the Group and enhance the flexibility in financial management of the Company, which is in line with the current business needs of the Group and is therefore in the best interests of the Company and its shareholders and will not have any material adverse effect on the existing business and operations of the Group.

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

Hong Kong, 11 October 2023

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, the non-executive Director is Mr. Li Long Guang 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 Company Information” page of the GEM website at www.hkgem.com 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.