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Ritamix Global Limited **利特米有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1936)

UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

References are made to (i) the prospectus of Ritamix Global Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 April 2020 (the “**Prospectus**”); (ii) the announcement dated 4 October 2021 in relation to the change in use of proceeds (the “**2021 UOP Announcement**”); (iii) the annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (the “**2022 Annual Report**”); (iv) the supplemental announcement dated 27 July 2023 in relation to the planned use of the unutilised net proceeds and the expected timeline (the “**Supplemental Announcement**”) and (v) the announcement of interim results of the Company for the six months ended 30 June 2023 dated 30 August 2023 (the “**2023 Interim Results Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Supplemental Announcement.

USE OF NET PROCEEDS

The net proceeds received by the Company from the Listing amounted to approximately HK\$72.4 million, after deducting the underwriting fees, commissions and other listing expenses (the “**Net Proceeds**”). Up to 30 June 2023, the unutilised Net Proceeds was approximately HK\$58.2 million (the “**Unutilised Net Proceeds**”).

PREVIOUS CHANGE OF USE IN NET PROCEEDS

On 4 October 2021, the Board resolved to reallocate the use in its unutilised net proceeds in acquiring or partnering with a company selling animal feed additives products amounted to approximately HK\$13.4 million to invest in a company engaged in animal feed additives and/or veterinary related industry (the “**Change of Use in Net Proceeds**”). For more information about the Change of Use in Net Proceeds, please refer to the 2021 UOP Announcement.

In the 2022 Annual Report, the Board has resolved to revise the expected timeline for use of net proceeds (the “**1st Timeline Revision**”). On 27 July 2023, the Board has further made the Supplemental Announcement in relation to the 2022 Annual Report to provide additional information for the reasons of the 1st Timeline Revision.

FURTHER REVISION TO THE EXPECTED TIMELINE FOR USE OF UNUTILISED NET PROCEEDS

After due and careful consideration of the latest developments, the Board has resolved to further extend the timeline for use of the Unutilised Net Proceeds (“**2nd Timeline Revision**”). The Unutilised Net Proceeds are expected to be utilised by 31 December 2025.

The allocation of the Unutilised Net Proceeds following the Change of Use in Net Proceeds, status of the Net Proceeds during the period from the Listing Date and up to 30 June 2023 (the “**Relevant Period**”), the expected timeline to use the Net Proceeds following the 1st Timeline Revision and the 2nd Timeline Revision are as follows:

	Planned use of the Net Proceeds <i>HK\$ million</i>	Actual use of the Net Proceeds during the Relevant Period <i>HK\$ million</i>	Unutilised Net Proceeds at 30 June 2023 <i>HK\$ million</i>	Expected timeline to use the Net Proceeds (as per 1st Timeline Revision)	Expected timeline to use the Net Proceeds (as per 2nd Timeline Revision)
Construct a new manufacturing plant	42.1	—	42.1	30 June 2024	31 December 2025
Funding potential investment in company which is engaged in animal feed additives and/or veterinary related industry	13.4	7.8	5.6	31 December 2023	31 December 2025
Conduct sales and marketing activities	1.7	0.4	1.3	30 June 2024	31 December 2024
Set up a new testing laboratory	3.5	—	3.5	30 June 2024	31 December 2025
Set up a centralised Enterprise Resources Planning system	3.7	—	3.7	31 December 2023	31 December 2025
Hire additional workforce	3.0	1.0	2.0	31 December 2023	31 December 2025
Purchase trucks for logistics services and vehicle for sales personnel	1.4	1.4	—	Not applicable	Not applicable
General working capital	<u>3.6</u>	<u>3.6</u>	<u>—</u>	Not applicable	Not applicable
TOTAL	<u><u>72.4</u></u>	<u><u>14.2</u></u>	<u><u>58.2</u></u>		

Construct a new manufacturing plant

Approximately HK\$42.1 million of the Unutilised Net Proceeds allocated for constructing a new manufacturing plant has not been utilised by the Group. Since 2020, the sudden and rapid spread of the novel coronavirus disease 2019 (“**COVID-19**”) pandemic across the globe has had unfavourable impact on the global growth prospects. Consequently, the Group’s daily operations, particularly in the manufacturing segment had experienced disruptions in the preceding financial years. In response to such circumstances, the Group had adopted a cautious approach to further assess market demand for its animal feed additives premixes before increasing its production capacity and expand product portfolio. As at the date of this announcement, the Group is still in the process of identifying suitable sites in close proximity to its existing manufacturing plant which is expected to be located at Bukit Jelutong Industrial area in Malaysia. It is expected that the unutilised proceeds will be fully utilised on or before 31 December 2025.

Funding potential investment in company which is engaged in animal feed additives and/or veterinary related industry

Approximately HK\$5.6 million of the Unutilised Net Proceeds allocated for funding potential investment in company which is engaged in animal feed additives and/or veterinary related industry has not been utilised by the Group. Since 4 October 2021, the Group has been actively exploring suitable business and investment opportunities to enhance the Group’s overall value for the benefit of the Shareholders. However, the Group has decided to remain prudent in its investment in light of the effect brought by the COVID-19 pandemic and the global economic downturn. As at the date of this announcement, the Group has not been able to identify any potential investment which matches the Group’s criteria. It is expected that the unutilised proceeds will be fully utilised on or before 31 December 2025.

Conduct sales and marketing activities

Approximately HK\$1.3 million of the Unutilised Net Proceeds allocated for conducting sales and marketing activities has not been utilised by the Group. Government worldwide had imposed various travel restrictions in the previous years to combat the COVID-19 outbreak. As a result, the Group was unable to (i) participate in domestic and international fairs and exhibitions to keep abreast of latest market development and raise brand recognition and (ii) visiting existing and potential suppliers and customers to strengthen and expand business network during these periods of travel restrictions. Following the transition towards the COVID-19 endemicity and the reopening of domestic and international borders, the Group has been actively seeking opportunities to conduct sales and marketing activities. It is expected that the unutilised proceeds will be fully utilised on or before 31 December 2024.

Set up a new testing laboratory

Approximately HK\$3.5 million of the Unutilised Net Proceeds allocated for setting up a new testing laboratory has not been utilised by the Group. A new testing laboratory would enable the Group to provide complementary services to customers by offering bacterial toxin and mycotoxin testing and analysis on customers' feedstuff. Nevertheless, due to the disruptions caused by the COVID-19 pandemic in the previous financial years, the Group has taken a prudent strategy by focusing on its core business operations to ensure the consistent delivery of high-quality products. Looking forward, the Group is cautiously optimistic in establishing a new testing laboratory, considering the revitalisation of the business environment following the opening of global markets. It is expected that the unutilised proceeds will be fully utilised on or before 31 December 2025.

Set up a centralised Enterprise Resources Planning (“ERP”) system

Approximately HK\$3.7 million of the Unutilised Net Proceeds allocated for setting up a centralised ERP system has not been utilised by the Group. Given the global economic uncertainty brought by the COVID-19 pandemic, the Group has prioritised prudent financial management and cost control measures to ensure corporate sustainability. Looking ahead, the Group will closely monitor its financial resources and further assess the project requirements for the implementation of centralised ERP system, aligning with its future expansion plan. It is expected that the unutilised proceeds will be fully utilised on or before 31 December 2025.

Hire additional workforce

Approximately HK\$2.0 million of the Unutilised Net Proceeds allocated for hiring additional workforce has not been utilised by the Group. The Group intends to hire additional workforce to support its expansion plan for the new manufacturing plant and the testing laboratory. It is expected that the unutilised proceeds will be fully utilised on or before 31 December 2025.

REASONS FOR EXTENDING THE EXPECTED TIMELINE FOR USE OF PROCEEDS

The Board considers that the 2nd Timeline Revision would allow the Group to allocate its financial resources more efficiently. The Board believes that the 2nd Timeline Revision to the Net Proceeds is in the best interest of the Company and its Shareholders as a whole and it will not have any material adverse effect on the existing business and operations of the Group. Save as disclosed in this announcement, there are no other changes to the use of Net Proceeds.

The expected timeline to use the Net Proceeds is based on the Directors' best estimation, barring any unforeseen circumstances, and it may be subject to change based on the market conditions. In the event of any material change in the intended use of the Unutilised Net Proceeds and the 2nd Timeline Revision, the Company will make appropriate announcement(s) in due course.

By order of the Board
Ritamix Global Limited
Dato'Sri Lee Haw Yih
Chairman and Executive Director

Malaysia, 27 September 2023

As at the date of this announcement, the executive Directors are Dato'Sri Lee Haw Yih and Datin Sri Yaw Sook Kean; the non-executive Director is Mr. Lee Haw Shyang; and the independent non-executive Directors are Ms. Ng Siok Hui, Mr. Lim Chee Hoong and Mr. Lim Heng Choon.