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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)

CHANGE IN USE OF PROCEEDS

Reference is made to (i) the prospectus of Ritamix Global Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 April 2020 (the “**Prospectus**”) relating to the listing of the Company’s shares on the Main Board of the Stock Exchange (the “**Listing**”) on 13 May 2020 (the “**Listing Date**”); and (ii) the Company’s interim report for the six months ended 30 June 2021 dated 30 August 2021 (the “**Interim Report**”) relating to the use of proceeds from the Listing. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

The net proceeds of the Listing through the share offer, after deducting the underwriting fees, commissions and other Listing expenses paid by the Group in connection thereto, were approximately HK\$72.4 million (the “**Net Proceeds**”).

As disclosed in the Interim Report, up to 30 June 2021, the Net Proceeds had been applied according to the disclosure in the section headed “Future Plans and Use of Proceeds” in the Prospectus as follows:

	Planned use of the Net Proceeds in total	Actual use of the Net Proceeds from the Listing Date and up to 30 June 2021	Unutilised amount at 30 June 2021	Expected timeline to use the Net Proceeds
	<i>HK\$'million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>	
Construct a new manufacturing plant	42.1	—	42.1	30 June 2023
Acquire/partner with company selling animal feed additives products	13.4	—	13.4	31 December 2023
Conduct sales and marketing activities	1.7	—	1.7	30 June 2022
Set up a new testing laboratory	3.5	—	3.5	30 June 2022
Set up a centralised enterprise resource planning system	3.7	—	3.7	31 December 2022
Hire additional workforce	3.0	1.0	2.0	31 December 2022
Purchase trucks for logistics services and vehicle for sales personnel	1.4	1.4	—	
General working capital	<u>3.6</u>	<u>3.6</u>	<u>—</u>	
Total	<u>72.4</u>	<u>6.0</u>	<u>66.4</u>	

As at the date of this announcement, the unutilised Net Proceeds in acquiring or partnering with a company selling animal feed additives products amounted to approximately HK\$13.4 million. For reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” in this announcement below, the board of directors of the Company (the “**Board**”) has resolved to change the use of Net Proceeds from acquiring or partnering with a company selling animal feed additives products to invest in a company engaged in animal feed additives and/or veterinary related industry (the “**Change of Use in Net Proceeds**”). Save as disclosed in this announcement, there is no other change in the use of the Net Proceeds or the expected timeline on use of the Net Proceeds.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

As disclosed in the Prospectus, the Company originally intended to allocate approximately HK\$13.4 million from the Net Proceeds upon the Listing, representing approximately 18.5% of the Net Proceeds (the “**Allocated Net Proceeds**”) for funding potential acquisition of and/or business collaboration with a company which is a distributor in Malaysia possessing distributorship of one or more international brand products that could complement the Group’s existing product portfolio.

The Company has been actively considering and exploring various opportunities to facilitate its business growth according to the market conditions with an aim to expand business, create synergy to existing business activities and enhance the value of shareholders of the Company (the “**Shareholders**”). However, after the Listing, the Group was unable to find a suitable target at a reasonable price which matches the criteria set out in the Prospectus for utilising the Allocated Net Proceeds. Given the outbreak of the COVID-19 pandemic globally and the Malaysian government imposed a prolonged movement control order since March 2020, the Directors consider the COVID-19 pandemic has caused a considerable impact on both the economy and the industrial landscape of the animal feed additives industry in Malaysia. Therefore, the Board considered that the Group’s potential investment should not be restricted to region, profitability, sales network, business structure and business relationship with the Group. Instead, the criteria for selecting a suitable investment company should be based on its growth potential, valuation and suitability to the business model of the Group. As a result, the Board has resolved to change the use of the Allocated Net Proceeds for funding potential investment in company which is engaged in animal feed additives and/or veterinary related industry, without limitation to geographical location and sales network, which will broaden the choices available to the Group when shortlisting investment candidates and will be beneficial to the Company and the Shareholders as a whole. As such, the Board intends to utilise the Allocated Net Proceeds by acquiring an interest in a suitable investment company under the aforesaid selection criteria, which may become a subsidiary or an associated company or an investment of the Company as the case may be.

The Board believes that the Change in Use of 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. The Company will issue further announcement(s) if the investment constitutes a notifiable transactions which requires disclosure under Chapter 14 of the Listing Rules as and when appropriate.

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

Malaysia, 4 October 2021

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.