WAC HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8619)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2019 ANNUAL REPORT AND 2020 ANNUAL REPORT

This announcement is made by WAC Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 18.32A and Rule 18.32(8) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

References are made to the annual reports of the Company for the years ended 31 March 2019 (the "**2019 Annual Report**") and 31 March 2020 (the "**2020 Annual Report**") published by the Company on 27 June 2019 and 29 June 2020 respectively. Unless otherwise defined, terms used herein shall bear the same meanings as those defined in the 2019 Annual Report and the 2020 Annual Report.

Net proceeds from the Share Offer received by the Company was approximately HK$26.9 million (after deducting the listing expenses).

Up to 31 March 2020, the Group utilised approximately HK$7.3 million of the net proceeds for the purposes consistent with those set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 31 August 2018 (the "**Prospectus**").

Up to the date of this announcement, the Group utilised approximately HK$9.0 million of the net proceeds and the unutilised net proceeds amounted to approximately HK$17.9 million. Having considered the recent business environment and development of the Group, the board of directors of the Company (the "**Board**") has resolved to revise the schedule of the use of the unutilised net proceeds.

In addition to the information disclosed in the section headed "Use of Proceeds" in the 2019 Annual Report and the 2020 Annual Report, the Board wishes to provide additional information, including the expected timeline for the use of unutilised net proceeds, on the use of proceeds from the Share Offer pursuant to Rule 18.32A and Rule 18.32(8) of the GEM Listing Rules as follows:

Business strategies	Percentage of total net proceeds	Allocation of total net proceeds designated in the Prospectus	Planned usage of net proceeds up to 31 March 2019 in the manner as stated in the Prospectus	Actual usage of net proceeds up to 31 March 2019	Planned usage of net proceeds up to 31 March 2020 in the manner as stated in the Prospectus	Actual usage of net proceeds up to 31 March 2020	Unutilised net proceeds as at 31 March 2020	Actual usage of net proceeds up to the date of this announcement	Unutilised net proceeds as at the date of this announcement	Expected date to fully utilise the unutilised net proceeds
	%	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	
Support and expand our structural and geotechnical engineering team	29.3	7.9	0.6	0.7	3.7	4.3	3.6	5.9	2.0	by 31 March 2022
Grow and develop our civil engineering team	29.3	7.9	1.0	0.6	4.4	1.4	6.5	1.5	6.4	by 31 March 2022
Expanding our office infrastructure and BIM upgrade	19.4	5.2	0.8	—*	2.7	0.4	4.8	0.4	4.8	by 31 March 2022
Support and expand our material engineering and building repairs area of service	17.6	4.7	1.0	—	2.8	—	4.7	—	4.7	by 31 March 2022
General working capital	4.4	1.2	1.2	1.2	1.2	1.2	—	1.2	—	N/A
	100.0	26.9	4.6	2.5	14.8	7.3	19.6	9.0	17.9	

* *Less than HK$0.1 million*

Note: The expected date to fully utilise the unutilised net proceeds is based on the best estimation of future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

To the best knowledge of the Board, the delay in the use of net proceeds was mainly attributable to the following factors:

Up to 31 March 2019

- Delay in commencement of certain new projects and as a result, the required number of additional staff turned out to be lower than originally expected, which resulted in the Group spending less than originally expected.

- The Group has encountered continuous difficulties in hiring suitable candidates with the relevant project management experience, and the required qualifications and industry knowledge.

Up to 31 March 2020

- Due to the impact from the social unrest in Hong Kong and the work-from-home arrangement for certain government departments and our certain clients due to the outbreak of COVID-19 in Hong Kong, there were temporary suspension of construction works and delays in project progress of the projects undertaken by the Group during the year ended 31 March 2020, which affected the need for our services during the period. Therefore, the Directors postponed the application of the unutilised net proceeds during the aforesaid period.

The Company intends to apply the unutilised net proceeds for the purposes consistent with those set out in the Prospectus.

The Company will continue to monitor the status of the use of proceeds regularly and expects the unutilised net proceeds to be fully utilised on or before 31 March 2022.

The supplementary information provided in this announcement does not affect the other information contained in the 2019 Annual Report and the 2020 Annual Report and save as disclosed above, the contents of the 2019 Annual Report and the 2020 Annual Report remain unchanged.

By Order of the Board
WAC Holdings Limited
Dr. Chan Yin Nin
Chairman

Hong Kong, 28 August 2020

As at the date of this announcement, the Board comprises Dr. Chan Yin Nin, Mr. Kwong Po Lam and Ms. Su Xiaoyan as executive directors; and Ms. Chu Moune Tsi, Stella, Mr. Choy Wai Shek, Raymond and Mr. Sze Kyran as independent non-executive directors.