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WEBX INTERNATIONAL HOLDINGS COMPANY LIMITED
智雲國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8521)

SUPPLEMENTAL ANNOUNCEMENT CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTION

Reference is made to the announcements of WebX International Holdings Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 29 July 2025 and 18 August 2025 in relation to the subscription by the Subscriber of 63,000,000 Subscription Shares to be issued pursuant to the General Mandate (the "**Announcements**"). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements.

USE OF PROCEEDS FROM THE SUBSCRIPTION

As disclosed in the Announcements, the net proceeds from the Subscription (after deducting related expenses payable by the Company) (the "**Net Proceeds**") of approximately HK$47,620,000, of which (i) approximately 90% (approximately HK$42,858,000) was originally intended for the building of a treasury of crypto assets, in particular bitcoin and bitcoin-related instruments; and (ii) approximately 10% (approximately HK$4,762,000) was originally intended for working capital of the Group. As at the date of this announcement, the Completion has not yet taken place and the Company has not received the Net Proceeds.

CHANGE IN USE OF PROCEEDS

After considering the current needs of the Company, the Board resolved to revise the intended use of Net Proceeds (the "**Revised Use of Proceeds**"), which is expected to be approximately HK$47,620,000.

Set out below is the details of the Revised Use of Proceeds as at the date of this announcement:

	Original proposed use of net proceeds *HK$'000*	**Revised Use of Proceeds** *HK$'000*	**Expected timeline for full utilisation of the Revised Use of Proceeds** *HK$'000*
Building of a treasury of crypto assets, in particular bitcoin and bitcoin-related instruments	42,858	–	–
Cloud-based Computing and Internet Traffic Services:			
– Costs of lease/purchase computing power (bandwidth usage/data transfer volume/unit price)	–	27,000	On or before 31 March 2027
– Expenditure for provision of Customised Solutions	–	9,257	On or before 31 March 2027
– Employees costs, main duties of which include, data analysis, data and network management, assistance in provision of Customised Solutions)	–	4,629	On or before 31 March 2027
– Other operating expenses, such as, maintenance, equipment, office rental costs	–	1,972	On or before 31 March 2027
Total for provision of Cloud-based Computing and Internet Traffic Services	–	42,858	
General working capital	4,762	4,762	On or before 31 March 2027
	47,620	47,620	

BACKGROUND OF THE GROUP, THE CLOUD-BASED COMPUTING AND INTERNET TRAFFIC SERVICES, THE SALES OF FUNCTIONAL KNITTED FABRICS, APPAREL AND YARNS BUSINESS

Background of the Group

The Group is principally engaged in (i) sales of functional knitted fabrics, apparel and yarns; and (ii) cloud-based computing and internet traffic services.

Background of the Cloud-based Computing and Internet Traffic Services

Under the existing business model of the cloud-based computing and internet traffic services business segment of the Group (the "**Cloud-based Computing and Internet Traffic Services**"), the Company utilises real-time data analysis across multiple digital media channels and/or platforms to deliver customised strategies and solutions (the "**Customised Solutions**") targeting and serving a wide range of clients, including online game developers and publishers, application developers, and clients engaged in the launch of new applications and devices. Through advanced real time data analytics, the Group's solutions also enhance product visibility, improve sales-conversion rates through providing clients with tailored recommendations that address their specific needs and requirements. The solution offerings of the Group also include assisting clients in sourcing and placing their products and services on the desirable platform, as well as co-operating with content creators to share/display related contents/products.

The Group's current operations have relied on a reactive approach whereby computing resources were procured only after receiving client sales orders. While this approach required less upfront capital, it exposed the Company to higher procurement costs and unstable prices due to spot purchases, and subject to the risks of insufficient computing capacity to meet client needs during periods of high demand. These challenges could result in operational delays, reduced service quality and/or limited expansion in scale in the past.

The target customers of the Cloud-based Computing and Internet Traffic Services going forward is expected to mainly include (i) clients who needs access to computing power at various scale and different timeframes, such as online game developers and publishers, short video/mini drama series entertainment publishers and hosting platforms, large language model developers and trainers, as well as applications developers; (ii) agencies and solution providers seeking customised digital solutions for their clients; and (iii) corporate end-users, which is similar to that of the existing customers of the Group.

The Revised Use of Proceeds will be able to further the existing coverage of the Group's cloud-based computing and internet traffic tailored solutions which should expand to include, among others, (i) the provision of computing power of specified quantity and/or number of graphics processing units over the agreed service period; (ii) provision of data management solutions by way of storage, upload, download, distribution, backup, migration and removal of the relevant data over the agreed service period; (iii) network optimisation and connectivity; and (iv) the provision of the Customised Solutions, use real time data analytics to enhance client's product visibility and improve sales-conversion rates through providing clients with tailored recommendations that address their specific needs and requirements, placement of online adverts at the suitable digital platform(s), and co-operate with content creators to share/display related contents/products.

The main costs associated with the Group's cloud-based computing and internet traffic tailored solutions should comprise (i) costs of lease/purchase computing power from data centre operators; and (ii) expenditure for provision of Customised Solutions, including costs in relation to internet usage, internet traffic data platform subscription, placement of online adverts and content creators. In addition, the Group also expects to incur operating costs, such as employee salaries, maintenance, equipment.

Background of the Sales of Functional Knitted Fabrics, Apparel and Yarns Business

As at 30 June 2025, the Group's bank balances and cash amounted to approximately HK$50.7 million. The Company intends to use the aforesaid amount mainly for the upkeep, turnaround and development of its Sales of functional knitted fabrics, apparel and yarns business segment of the Group (the "**Sales of Functional Knitted Fabrics, Apparel and Yarns Business**"). Reference is also made to the interim report of the Company for the six months ended 30 June 2025, setting out, among others, there has been a decrease in the region of around 40% in sales of functional knitted fabrics, apparel and yarns, compared to the six months ended 30 June 2024, amid the challenging business environment in the textile industry in the People's Republic of China. Nonetheless, the Sales of Functional Knitted Fabrics, Apparel and Yarns Business remained to be the largest business segment of the Group by revenue for the six months ended 30 June 2025. The Company is of the view that such downturn was attributable to the then prevailing market conditions and the challenging macro-economic environment, which is cyclical in nature, and it is the strategy of the Company to maintain the Sales of Functional Knitted Fabrics, Apparel and Yarns Business at similar levels in the foreseeable future, subject to the then market conditions and demand.

For illustration purposes only, barring unforeseen circumstances and subject to the then prevailing market conditions, the availability of the financial and other resources of the Group at the material time, the Company intends to utilise the funds of approximately HK$45.2 million out of the total bank balances and cash of approximately HK$50.7 million as at 30 June 2025 for the upkeep and development of the Sales of Functional Knitted Fabrics, Apparel and Yarns Business for (i) working capital required to maintain the daily operations of the Sales of Functional Knitted Fabrics, Apparel and Yarns Business during the second-half of 2025, including purchase of raw materials of approximately HK$26.2 million, salaries and wages of approximately HK$3.6 million, and other operational expenses of approximately of HK$6.6 million, during the second-half of 2025; (ii) repayment of bank and other borrowings and bank overdraft of approximately HK$7.3 million by mid of 2026; and (iii) sales and marketing expenses for the Sales of Functional Knitted Fabrics, Apparel and Yarns Business of approximately HK$1.5 million during the second-half of 2025.

As at the date of this announcement, the Company has no intention to downsize any of the existing businesses, including the Sales of Functional Knitted Fabrics, Apparel and Yarns Business. The Group shall continue to explore opportunities based on its business strategy with a view to enhance Shareholders' return in the long run.

The Directors believe that the Revised Use of Proceeds will benefit the Group's growth prospects and is in the interests of the Company and its Shareholders as a whole.

If there are any further adjustments on the use of the Net Proceeds, the Company will make further announcement as and when appropriate.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The Company has taken into account the Group's business needs and development when determining the allocation of the Revised Use of Proceeds.

The Company has entered into a cooperation agreement with an independent third party with an amount of not less than HK$10.8 million for the Cloud-based Computing and Internet Traffic Services over the forthcoming 12 months period, if consummated. Furthermore, the management of the Company (the "**Management**") has been in discussion and/or negotiation with existing and potential customers for the Cloud-based Computing and Internet Traffic Services.

Against this backdrop, to address and support the furtherance of the Group's businesses and to diversify business risks as well as to broaden income source of the Group, the Company proposes to allocate approximately 90% of the Net Proceeds towards the furtherance of the Cloud-based Computing and Internet Traffic Services, which includes (i) securing additional computing resources for its expansion plan by entering into service agreement with vendors (i.e. data centres). By bulk purchasing computing power, the Company will be able to negotiate better commercial terms with vendors, reduce overall costs, and stabilise its supply of essential computing power/infrastructure thereby enabling the Company to consistently deliver reliable and high-quality services as well as expand its business scope and service offerings; (ii) contributing towards the settlement of expenses incurred in connection with the provision of Customised Solutions; (iii) for the use of employees related costs; and (iv) for the use of other operating expenses, such as, maintenance, equipment, office rental costs, which is in the interests of the Group and its Shareholders as a whole.

As the Subscription is subject to the satisfaction or waiver of the Conditions Precedent and may or may not proceed to Completion, Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

On behalf of the Board
WebX International Holdings Company Limited
Wong Kai Hung Kelvin
Chairman

Hong Kong, 1 September 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wong Kai Hung Kelvin, Mr. Li Jian and Mr. Chen Simon Guomin; one non-executive Director, namely, Mr. Hung Yuk Miu; and three independent non-executive Directors, namely, Mr. Ng Wing Heng Henry, Dr. Chan Yee Wah and Mr. Liu Mingfang.

This announcement, for which the Directors 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 Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of publication and on the Company's website at www.webx.info.