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**SEM Holdings Limited**  
**澳達控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9929)**

**CHANGE IN USE OF PROCEEDS**

Reference is made to (i) the section headed “Future Plans and Use of Proceeds” in the prospectus of SEM Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 January 2020 (the “**Prospectus**”); and (ii) the section headed “Use of Proceeds from the Listing” in the annual report of the Company for the financial year ended 31 December 2022 (the “**2022 Annual Report**”) in which the utilisation of the Net Proceeds up to 31 December 2022 was disclosed. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and 2022 Annual Report.

This announcement is made to provide information for the recent update to the use of proceeds from the Global Offering upon the listing of the Company’s securities on The Stock Exchange of Hong Kong Limited on 14 February 2020 (the “**Listing**”).

The Company has raised gross proceeds of approximately MOP128.9 million upon the Listing. After deducting the listing expenses, the net proceeds were approximately MOP73.2 million upon Listing. As at the date of this announcement, the Company had utilised approximately MOP72.0 million of the Net Proceeds and the amount of the unutilised net proceeds was approximately MOP1.2 million (the “Unutilised Net Proceeds”).

## CHANGE IN USE OF PROCEEDS

For reasons set out in the paragraph headed “REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS” below, the Board of the Company has resolved to change the use of the Unutilised Net Proceeds as marked for establishing electrical and mechanical maintenance department (“**E&M Maintenance Department**”) by reallocating them to strengthening manpower. The revised allocation in the use of the Unutilised Net Proceeds is set out in the table below:

	Net proceeds from the Listing MOP million	Actual usage up to the date of this announcement MOP million	Unutilised amounts as at the date of this announcement MOP million	Revised allocation of unutilised net proceeds MOP million
Payment of the upfront cost for our future projects	22.9	(22.9)	–	–
Payment of the performance bonds for our future projects	22.9	(22.9)	–	–
Establishing E&M Maintenance Department	15.3	(14.1)	1.2	–
Strengthening manpower	7.2	(7.2)	–	1.2
Strengthening manpower for (E&M Maintenance Department)	4.4	(4.4)	–	–
General working capital	0.5	(0.5)	–	–
	<u>73.2</u>	<u>(72.0)</u>	<u>1.2</u>	<u>1.2</u>

The Group targets to complete the revised implementation plan of the Unutilised Net Proceeds on or before December 2023.

The expected timelines for utilising the Unutilised Net Proceeds is based on the best estimation made by the Group barring unforeseen circumstances. It may be subject to further change based on the future development of the market conditions.

## **REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS**

The Board considers that further purchase of machines and equipment for the E&M Maintenance Department may not be able to make a breakthrough in the Group's business and generate better financial results and return for the Group given the competition in Macau engineering industry has become more intense. In view of the present business circumstances, management determined to reallocate the Unutilised Net Proceeds (the "Reallocation") to strengthening manpower of the Group in the Hong Kong market, which has recorded a significant growth in segment revenue. The Board is of the view that the Reallocation would solidify our competitiveness in the market and serves the purpose of achieving effective deployment of the Group's financial resources.

In view of strengthening the efficiency and effectiveness of the capital use, the Board considers that the use of the Unutilised Net Proceeds is appropriately adjusted to better meet the current business needs of the Company as mentioned above. The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and considered that the proposed change will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

The Board will continuously evaluate the plan for use of the Unutilised Net Proceeds and may revise the plan where necessary to respond to the changing market conditions and strive for better business performance of the Group.

By Order of the Board  
**SEM Holdings Limited**  
**Woo Chu Fai**

*Executive Director and Chief Executive Officer*

Hong Kong, 23 June 2023

*As of the date of this announcement, the Board of Directors of the Company comprises Mr. Woo Chu Fai, Mr. Wun Chi Wai and Mr. Yu Chi Kwan as executive Directors; Mr. Wan Man Keung and Mrs. Kan Wan Wai Yee Mavis as non-executive Directors; and Mr. Lau Ping Cheung Kaizer, Ms. Chen Tak Yee Dickdy and Ir Dr. Wong Wai Man Raymond as independent non-executive Directors.*