

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser. Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

If you have sold or transferred all your shares in Cybernaut International Holdings Company Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

---



賽伯樂國際控股

**CYBERNAUT INTERNATIONAL HOLDINGS COMPANY LIMITED**

賽伯樂國際控股有限公司

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

**(Stock Code: 1020)**

**(1) MAJOR TRANSACTION  
IN RELATION TO ACQUISITION OF 100% OF THE ISSUED SHARES  
IN THE TARGET COMPANY  
INVOLVING THE ISSUE OF CONSIDERATION SHARES  
UNDER SPECIFIC MANDATE;  
AND  
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**Financial Adviser to the Company**



中毅資本有限公司

Grand Moore Capital Limited

---

Capitalised terms used in this cover have the same meanings as defined in this circular unless otherwise specified.

A letter from the Board is set out on pages 7 to 53 of this circular.

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at 11:00 a.m. on Friday, 5 September 2025 at Unit 1002, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong, or any adjournment thereof, is set out on pages EGM-1 to EGM-4 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should they so wish. If you attend and vote at the EGM in person, the form of proxy shall be deemed to be revoked.

20 August 2025

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS .....</b>	<b>1</b>
<b>LETTER FROM THE BOARD .....</b>	<b>7</b>
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP .....</b>	<b>I-1</b>
<b>APPENDIX II – ACCOUNTANT’S REPORT OF THE PRC OPERATING COMPANY .....</b>	<b>II-1</b>
<b>APPENDIX III – MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRC OPERATING COMPANY. ....</b>	<b>III-1</b>
<b>APPENDIX IV – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP .....</b>	<b>IV-1</b>
<b>APPENDIX V – GENERAL INFORMATION .....</b>	<b>V-1</b>
<b>NOTICE OF THE EGM .....</b>	<b>EGM-1</b>

---

## DEFINITIONS

---

*In this circular, unless otherwise specified or the context otherwise requires, the following terms and expressions shall have the following meanings:*

“Acquisition”	the acquisition of 100% of the issued shares in the Target Company by the Purchaser from the Seller, as contemplated under the Sale and Purchase Agreement
“Board”	the board of Directors
“Business”	the respective scopes of business permitted to operated by the PRC Operating Company in the PRC under its business licence (營業執照) and the Licence
“Business Day(s)”	a day (excluding Saturday, Sunday and other general holidays in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“CIPRUN International”	CIPRUN International Limited, a company incorporated in the British Virgin Islands with limited liability, the shareholder of the Seller as to approximately 73.4%
“Company”	Cybernaut International Holdings Company Limited (stock code: 1020), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Conditions”	the conditions precedent to the sale and purchase of the issued shares in the Target Company set out in the Sale and Purchase Agreement
“Connected Person(s)”	has the same meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$120,533,400, which may be increased by the Earn-out Consideration of HK\$40,000,000 if the Earn-out Condition is satisfied (as defined in the Letter from the Board of this circular), for the Acquisition

---

## DEFINITIONS

---

“Consideration Share(s)”	up to 1,605,334,000 new Shares (being the aggregate of the Initial Consideration Shares and the Earn-out Consideration Shares) to be allotted and issued by the Company to satisfy the Consideration in accordance with the Sale and Purchase Agreement
“Contractual Arrangement”	the contractual arrangement among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders constituted by the VIE Agreements
“Director(s)”	the director(s) of the Company
“Earn-out Consideration Shares”	a total of 400,000,000 Consideration Shares, subject to the fulfillment of the provisions as mentioned in the paragraph headed “Earn-out” in the letter from the Board of this Circular, to be allotted and issued at the Issue Price, credited as fully paid, to the Seller (or its nominee(s)) pursuant to the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened at 11:00 a.m. on 5 September 2025 to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate)
“Enlarged Group”	the enlarged group comprising the Group and the Target Group after Completion
“Equity Pledge Agreement”	the equity pledge agreement dated 7 February 2025 entered into among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders as part of the VIE Agreements
“Exclusive Call Option Agreement”	the exclusive call option agreement dated 7 February 2025 entered into among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders as part of the VIE Agreements
“Exclusive Consultancy and Services Agreement”	the exclusive consultancy and services agreement dated 7 February 2025 entered into among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders as part of the VIE Agreements

---

## DEFINITIONS

---

“Group”	the Company and its subsidiaries
“Guidance Letter”	the Guidance Letter HKEX-GL77-14 issued by the Stock Exchange, as amended and re-issued from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party independent of the Company and its connected persons
“Initial Consideration Share(s)”	a total of 1,205,334,000 Consideration Shares to be allotted and issued at the Issue Price, credited as fully paid, to the Seller (or its nominee(s)), on the date of Completion, pursuant to the Sale and Purchase Agreement
“IP”	intellectual property
“Issue Price”	HK\$0.10 per Consideration Share
“Latest Practicable Date”	14 August 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained in this circular
“Licence”	the patent agency practice license* (專利代理機構執業許可證) granted by China National Intellectual Property Administration to the PRC Operating Company authorising the PRC Operating Company to conduct the patent agency services
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2025 or such other date as agreed in writing by the parties to the Sale and Purchase Agreement

---

## DEFINITIONS

---

“Mr. Kong”	Mr. KONG Junmin (孔軍民), the shareholder of CIPRUN International as to approximately 60.6% who is also the registered owner of approximately 47.2% equity interest in the registered capital of Jiangsu CIPRUN
“Opco Registered Shareholders”	the registered holders of the equity interest in the PRC Operating Company
“Power of Attorney”	the power of attorney dated 7 February 2025 executed by the directors of the PRC Operating Company, the Opco Registered Shareholders and the legal representative of the PRC Operating Company to appoint the Target WFOE as its/their attorney-in-fact as part of the VIE Agreements
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Legal Advisers”	Join & High Law Office (天津四方君匯律師事務所)
“PRC Operating Company”	Beijing Niu Si Baba Intellectual Property Agency Co., Ltd.* (北京牛思巴巴知識產權代理有限公司), a company incorporated in the PRC with limited liability and is beneficially owned by the Seller as at the Latest Practicable Date
“Price Adjustment”	the price adjustment mechanism to the Consideration as further set out in the paragraph headed “Earn-out” in the Letter from the Board of this circular
“Purchaser”	Cybernaut Technology Development Limited, a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the share sale and purchase agreement dated 9 February 2025 (as supplemented by the Supplemental Sale and Purchase Agreement) entered into by the Company, the Purchaser and the Seller, in relation to the Acquisition
“Seller”	CIPRUN.LTD, an exempted company incorporated in the Cayman Islands with limited liability

---

## DEFINITIONS

---

“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Rights Entrustment Agreement”	the shareholders’ rights entrustment agreement each dated 7 February 2025 executed by the directors of the PRC Operating Company, the Opco Registered Shareholders and the legal representative of the PRC Operating Company as part of the VIE Agreements
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Sale and Purchase Agreement”	the supplemental share sale and purchase agreement dated 31 July 2025 entered into by the Company, the Purchaser and the Seller to extend the Long Stop Date from 10 June 2025 to 30 September 2025
“Target Company”	Newsbaba LTD, a BVI business company incorporated in the British Virgin Islands with limited liability, which indirectly controls the PRC Operating Company through the VIE arrangements
“Target Group”	collectively, the Target Company, the Target HK Company, the Target WFOE and the PRC Operating Company, and “Target Group Company” means any one of them
“Target HK Company”	Newsbaba Technology Limited (牛思巴巴科技有限公司), a private company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of the Target Company and the sole registered owner of the equity interest in of the Target WFOE
“Target WFOE”	Suzhou Niu Si Baba Technology Co., Ltd.* (蘇州牛思巴巴科技有限公司), a direct wholly-owned subsidiary of the Target HK Company and a wholly foreign-owned enterprise established in the PRC
“VIE”	variable interest entity

---

## DEFINITIONS

---

“VIE Agreements” a series of agreements, including but not limited to the Exclusive Consultancy and Services Agreement, the Equity Pledge Agreement, the Exclusive Call Option Agreement, the Power of Attorney and the Shareholders’ Rights Entrustment Agreement, executed for the purpose of establishing the variable interest entity arrangement among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders

“%” per cent.

\* *For identification purposes only*

*For the purpose of this circular and for illustrative purpose only, unless otherwise indicated, conversions of RMB to HK\$ are based on the exchange rate of RMB1.00 = HK\$1.08. No representation is made that any amounts in HK\$ or RMB can or could have been converted at the relevant dates at the above exchange rate of at any other rates at all.*



---

## LETTER FROM THE BOARD

---



賽伯樂國際控股

**CYBERNAUT INTERNATIONAL HOLDINGS COMPANY LIMITED**

**賽伯樂國際控股有限公司**

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

**(Stock Code: 1020)**

*Executive Directors:*

Mr. Zhu Min (*Chairman of the Board*)

Ms. Yip Sum Yu

*Independent Non-Executive Directors:*

Mr. Tong Yiu On (*Resigned on 15 August 2025*)

Mr. Li Yik Sang

Mr. Cao Ke

Mr. Lee Kam Wing, Victor

*Registered Office:*

Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

*Head Office and Principal Place of  
Business in the Hong Kong:*

Unit 1002, Capital Centre  
151 Gloucester Road  
Wanchai, Hong Kong

*Principal Place of Business in the PRC:*

Room 801, 8/F,  
Xinghua Mansion Block B,  
No. 2018 Middle Shennan Road,  
Fuqiang Community,  
Huaqiangbei Street,  
Futian District,  
Shenzhen, the PRC

20 August 2025

*To the Shareholders*

Dear Sir or Madam,

**(1) MAJOR TRANSACTION  
IN RELATION TO ACQUISITION OF 100% OF THE ISSUED SHARES IN  
THE TARGET COMPANY  
INVOLVING THE ISSUE OF CONSIDERATION SHARES  
UNDER SPECIFIC MANDATE;  
AND  
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**I. INTRODUCTION**

Reference is made to the announcement of the Company dated 9 February 2025 and the supplemental announcement of the Company dated 7 March 2025 in relation to the Acquisition of a 100% interest in the Target Company involving issue of Consideration Shares under Specific Mandate which constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further details of the foregoing matters and a notice convening the EGM.

---

## LETTER FROM THE BOARD

---

### II. THE SALE AND PURCHASE AGREEMENT

On 9 February 2025, the Company, the Purchaser and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Seller conditionally agreed to sell, 100% of the issued shares in the Target Company.

Set forth below are the principal terms of the Sale and Purchase Agreement:

*Date* 9 February 2025

*Parties* (1) the Company  
(2) the Purchaser (a direct wholly-owned subsidiary of the Company)  
(3) the Seller

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, the Seller and its ultimate beneficial owners are third parties independent of the Company and its Connected Persons.

#### **The Acquisition**

##### *Asset to be acquired*

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase, and the Seller conditionally agreed to sell, 100% of the issued shares in the Target Company as at the Latest Practicable Date.

##### *The Consideration*

Subject to any adjustment set out in the section headed “Earn-out” below (the “**Price Adjustment**”), the Consideration for the Acquisition is HK\$120,533,400, which would be settled by the allotment and issue of 1,205,334,000 Initial Consideration Shares by the Company at the Issue Price of HK\$0.10 per Initial Consideration Share to the Seller.

##### *Earn-out*

The Consideration is subject to the Price Adjustment set out below but shall in any event not be increased by more than HK\$40,000,000 taking into account the earn-out provisions below.

In the event that the audited net profit after tax as shown in the audited financial statements of the Target Group for the financial year ending 31 December 2025 is equal to or exceeds RMB15,000,000 (the “**Earn-out Condition**”), the Consideration shall be increased by

---

## LETTER FROM THE BOARD

---

HK\$40,000,000 (the “**Earn-out Consideration**”), which shall be satisfied by the further allotment and issue of 400,000,000 new Shares (the “**Earn-out Consideration Share(s)**”) by the Company to the Seller (or its nominee(s)) at the Issue Price.

In the event that the Earn-out Condition is not satisfied, the Company is not required to issue and allot any Earn-out Consideration Share to any person.

### *Basis of the Consideration*

The Initial Consideration for the Acquisition has been determined after arm’s length negotiations among the parties to the Sale and Purchase Agreement with reference to, among other things, the following factors:

- (a) the business development and financial performance of the Target Group, including (i) the unaudited combined net profits after tax of the PRC Operating Company for the ten-month period ended 31 October 2024 in the amount of approximately RMB7.2 million; (ii) the unaudited combined net profits after tax of the PRC Operating Company for the trailing twelve months period ended 31 October 2024, being the period between 1 November 2023 and 31 October 2024, in the amount of approximately RMB8.2 million; and (iii) the financial performance of the Target Group, in particular, the PRC Operating Company has recorded positive profit since the date of its incorporation;
- (b) the valuation assessment of 100% of the PRC Operating Company of approximately RMB111.6 million as at 31 October 2024 based on the market approach conducted by the Directors, details of which, including details of the assumptions, basis and methodology of the valuation, are set forth in the sub-paragraph headed “Valuation” below;
- (c) the prospects of the Business in which the Target Group operates, and details of which are stated in the paragraphs headed “V. Information on the Target Group” and “VII. Reasons for and Benefits of the Acquisition” in the Letter from the Board of this Circular; and
- (d) the synergy effect that benefits the Group and the strategic value of the Target Group to the Group’s development, in particular (i) enhancing the Group’s product and service offerings within the digital landscape of its eCommerce business; (ii) offering opportunities for product diversification, enabling the Group to provide a wider array of solutions; (iii) enhancing brand recognition and market competitiveness while fostering loyalty; and (iv) the Target Group’s technological expertise is expected to elevate the Group’s online platform through advanced technologies, details of which was set out in the paragraph headed “VII. Reasons for and Benefits of the Acquisition” in the Letter from the Board of this Circular.

---

## LETTER FROM THE BOARD

---

The Earn-out Consideration for the Acquisition has been (i) determined after arm's length negotiations among the parties to the Sale and Purchase Agreement; (ii) by mutual agreement on a motivating yet achievable goal; and (iii) designed to align the Seller's interests with the ongoing performance of the Target Group as the Seller, despite not retaining direct ownership or title in the Target Company after Completion, has strong incentives to ensure the smooth and successful development of the Target Group because the Seller's ability to receive the Earn-out Consideration depends on whether the Target Group could continue serving its existing customers and/or to secure additional or alternative customers, which would enable the Earn-out Condition to be satisfied and therefore encouraging a focus on driving the business forward post-acquisition, with reference to, among other things, the following factors:

- (a) the business development and financial performance of the Target Group, including (i) the unaudited combined net profits after tax of the PRC Operating Company for the ten-month period ended 31 October 2024 in the amount of approximately RMB7.2 million; (ii) the unaudited combined net profits after tax of the PRC Operating Company for the trailing twelve months period ended 31 October 2024, being the period between 1 November 2023 and 31 October 2024, in the amount of approximately RMB8.2 million; and (iii) the financial performance of the Target Group, in particular the PRC Operating Company, has recorded positive profit since the date the incorporation;
- (b) the Seller's expectations regarding future profitability of the Target Group after taken into consideration of prevailing market condition, which includes (i) the growth of the PRC technology service market, which, according to Jazzyear's 2023 report, is anticipated to achieve a compound annual growth rate (CAGR) of 14% over the five years commencing in 2023; and (ii) the PRC's significant increase in investment in research and development reflects strong market potential, with total expenditure rising from approximately RMB2,214.4 billion in 2019 to RMB3,335.7 billion in 2023, representing a CAGR of approximately 8.5% according to the National Bureau of Statistics (國家統計局) of the PRC; and
- (c) to ensure that both parties found it acceptable within the context of the overall acquisition deal in order to align the interests of the Seller with the ongoing success of the Target Group and incentivise the Seller to ensure strong operational performance motivation for both the Seller and the Company.

Having considered that (i) the structure of the Earn-out Consideration is designed to align the interests of the Seller and the Enlarged Group, incentivising the Seller to focus on driving the business's growth, ultimately benefiting the Company and its Shareholders; (ii) the price-to-earnings (P/E) ratio (the "**P/E Ratio**") based on the enlarged consideration – comprising both the Initial Consideration and the Earn-out Consideration – along with the Earn-out Condition of reaching audited consolidated net profit after tax of RMB15 million for the year ending 31 December 2025, stands at around 9 times which is notably lower than the average P/E ratio of the comparable companies identified in the market of approximately 16.2 times as detailed in the subparagraph headed "Selection basis of the comparables" below; (iii) the amount was determined through arm's length negotiations between the Company and the

---

## LETTER FROM THE BOARD

---

Seller, reflecting a balanced consideration of the business's potential and associated risks; and (iv) the Earn-out Consideration supports the long-term interests of the Company and its shareholders by fostering sustainable growth and aligning stakeholder incentives, while the lower P/E ratio highlights the potential for future growth and enhanced returns, the Directors are of the view that the amount of Earn-out Consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### *Valuation*

The fair value of the entire equity interest in the PRC Operating Company was estimated to be approximately RMB111.6 million (the “**Valuation**”) as at 31 October 2024 (the “**Valuation Date**”) after taking into account the following factors:

- (a) the unaudited combined net profit after tax of the PRC Operating Company for the trailing twelve months period ended 31 October 2024, being the period between 1 November 2023 and 31 October 2024, in the amount of approximately RMB8.2 million, available by the time of signing of the Sale and Purchase Agreement; and
- (b) the average of the P/E Ratios of the comparable companies of approximately 16.2 times calculated with reference to the market capitalisation and the net profit of the comparable companies as at the Valuation Date.

### *Selection of the comparable ratio*

For valuation analysis for the PRC Operating Company, the P/E ratio has been adopted by the Directors. The Directors considered that the P/E ratio was an appropriate multiple in valuing the Target Group rather than other commonly used benchmarks such as the price to sale (“**P/S**”) ratio or price to book (“**P/B**”) ratio mainly due to: (i) earnings was the primary determinant of the appraised value; and (ii) P/S ratio and P/B ratio do not account for the profitability of the business and fail to reflect the true profitability and value of the business of the Target Group.

### *Selection basis of the comparables*

In the course of the Valuation, having considered that the management of the Target Group possesses in-depth knowledge and insights into the Target Group's operations, industry positioning, and unique business attributes, which are crucial for accurately identifying comparable companies, their familiarity with the specific nuances of the Target Group's business model, market focus, and competitive landscape enables them to provide valuable guidance in identifying peers that truly align with the Target Group's core activities, the Directors began a market comparable selection process by consulting the management of the Target Group to identify companies they considered similar to its main business as a first point of reference. The Directors found that there is only one of the companies on their list, 超凡知識產權服務股份有限公司 (stock code: 833183), which is listed on the National Equities Exchange and Quotations (NEEQ) and whose pertinent information such as market capitalization, historical profit, etc. used in the Valuation are available in the public domain.

---

## LETTER FROM THE BOARD

---

In addition, by using the Bloomberg, the Directors conducted their own independent work by applying specific selection criteria focused on companies that (i) provide intellectual property (IP) services within the PRC; (ii) are listed on the Stock Exchange; (iii) have not less than two years of relevant operational history in view of the approximately one to two years of operational history the PRC Operating Company as of 31 October 2024; and (iv) has financial information and relevant valuation multiple are available to the public (the “**Bloomberg Search**”). However, the Bloomberg Search did not find any suitable companies that met all these criteria. Consequently, the Directors relaxed the criteria regarding the geographic focus and the requirement for companies to be listed on the Stock Exchange and broadened the scope to include listed companies on other international markets. This adjustment was necessary due to the limited number of comparable options in the PRC market with financial information and relevant valuation multiples available to the public. After reviewing each of these companies, the Directors selected the appropriate ones by (a) excluding those that do not align with the Target Group’s business line, such as law firms and human resources management companies, to ensure a focus solely on relevant peers, and (b) eliminating any companies that have been delisted, as the market capitalisation data as at the Valuation Date for these firms is unavailable, which is crucial for accurate valuation comparisons. Ultimately, the Directors identified two comparable companies: (i) IPH Limited (“**IPH**”) (IPH.AX), a company listed in Australia; and (ii) 超凡知識產權服務股份有限公司 (stock code: 833183), a company listed on NEEQ (the “**Comparables Companies**”).

The Directors are of the view that the Comparables Companies constitute a fair and representative sample of comparables in the niche industry that the Target Group is in, being the service providers in relation to patent, trademark and copyright and other IP-related services. The Directors have considered numerous companies whose main business operations are principally engaged in IP solutions in the world and reached the conclusion that the two Comparable Companies are the most relevant as comparables to the Target Group in terms of lines of business, products and other criteria.

Based on the above, the Directors are of the view that taking into account of the parameters above, the selection of the Comparables Companies is exhaustive and sufficient in the context of the acquisition of the Target Group and for valuation purpose, and the Board considers that the Comparables Companies are fair and reasonable.

---

## LETTER FROM THE BOARD

---

The table below set forth the details of the Comparables Companies:

Company name	Listing venue	Stock code	Principal business	P/E ratio as at the Valuation Date	Source
超凡知識產權服務 股份有限公司	The National Equities Exchange and Quotations (NEEQ)	833183	Provision of intellectual property (IP) solutions	8.0	Annual Report and NEEQ
IPH	Australian Securities Exchange (ASX)	IPH.AX	IPH offers IP services related to the provision of filing, prosecution, enforcement, and management of patents, designs, trademarks, legal services, and other IP. It also engages in patent attorney, lawyers, support, and data analysis and software businesses. According to the latest annual report of IPH, the external revenue for the year ended 30 June 2024 was 100% related to intellectual property services, which is related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks, and other IP.	24.3	Bloomberg
			Average	16.2	

---

## LETTER FROM THE BOARD

---

The estimated fair value of the entire equity interest in the Target Group was then derived using (i) unaudited net profit after tax of the PRC Operating Company for the trailing twelve months period ended 31 October 2024, being the period between 1 November 2023 and 31 October 2024, in the amount of approximately RMB8.2 million; multiplied by (ii) the average P/E ratio of the Comparable Companies of 16.2 times as at 31 October 2024, as calculated with reference to the market capitalisation and the net profit of the Comparable Companies.

Following arm's length negotiations between the Seller and the Company, the Consideration was set at HK\$120,533,400, which aligns with the estimated fair value of the entire equity interest in the Target Group of approximately RMB111.6 million, based on an exchange rate of RMB1 to HK\$1.08.

### *The Consideration Shares*

#### *The Initial Consideration Shares*

Upon Completion, the Company shall allot and issue the Initial Consideration Shares, being 1,205,334,000 new Shares, to the Seller (or its nominee(s)) at the Issue Price.

The Initial Consideration Shares represent (i) approximately 29.5% of the existing issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 22.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Initial Consideration Shares; and (iii) approximately 21.2% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

#### *The Earn-out Consideration Shares*

Subject to the fulfilment of the Earn-out Condition, the Purchaser shall procure the Company to allot and issue the Earn-out Consideration Shares, being 400,000,000 new Shares, to the Seller (or its nominee(s)) at the Issue Price.

The Earn-out Consideration Shares represent (i) approximately 9.8% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 7.0% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

The Initial Consideration Shares and the Earn-out Consideration Shares will in aggregate represent (i) approximately 39.3% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 28.2% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

The Initial Consideration Shares and the Earn-out Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be sought for approval by the Shareholders at the EGM, and shall rank *pari passu* in all respects with the Shares in issue on the respective dates of allotment and issue thereof.



---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, the Company had (i) an authorised share capital of HK\$2,000,000,000, comprising (a) 19,066,667,000 ordinary shares of the nominal value of HK\$0.1 each; and (b) 933,333,000 preference shares of the nominal value of HK\$0.1 each; and (ii) an issued share capital of approximately HK\$491,878,101, comprising (a) 4,081,448,005 ordinary shares of the nominal value of HK\$0.1 each in the amount of approximately HK\$408,144,801; and (b) 837,333,000 preference shares of the nominal value of HK\$0.1 each in the amount of HK\$83,733,300.

### *Application for listing*

An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

### ***The Issue Price***

The Issue Price of HK\$0.10 per Consideration Share represents:

- (i) a premium of approximately 61.3% over the closing price of HK\$0.062 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 14.9% over the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on 7 February 2025, the last trading day of the Shares before the date of the Sale and Purchase Agreement;
- (iii) a premium of approximately 17.9% over the average closing price of HK\$0.0848 per Share as quoted on the Stock Exchange in the last five (5) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;
- (iv) a premium of approximately 45.1% over the average closing price of HK\$0.0689 per Share as quoted on the Stock Exchange in the last thirty (30) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (v) a premium of approximately 400.0% over the audited consolidated net asset value of approximately HK\$0.02 per Share as at 31 December 2024 (based on the audited consolidated net asset value of the Group attributable to the Shareholders as at 31 December 2024 of approximately RMB82,270,000 (equivalent to approximately HK\$88,851,600) and 4,081,448,005 Shares in issue as at the Latest Practicable Date).

The Company considers the Issue Price, which was determined after arm's length negotiation between the Purchaser and the Seller, to be fair and reasonable, having considered, among other things, the reasons for and benefits of the Acquisition as stated in the section headed "VII. Reasons for and benefits of the Acquisition" in the Letter of the Board of this Circular.

---

## LETTER FROM THE BOARD

---

### *Conditions precedent*

The Completion is conditional on, among other things:

- (a) the Purchaser is satisfied, at its sole discretion, with the results of the due diligence regarding the legal status, business, and financial condition of the Target Group;
- (b) the Target Group has obtained all necessary approvals, licenses, business permits, registrations, or filings from relevant government departments (including but not limited to the Licence) required to conduct all business operations (including but not limited to the Business) in accordance with the laws of the applicable jurisdiction, and such approvals, licenses, business permits, registrations, or filings are valid and in effect;
- (c) the Seller has obtained all necessary approvals, licenses, authorizations, registrations, or filings (including but not limited to approvals, licenses, authorizations, registrations, or filings from internal and relevant government departments) required to enter into and perform the Sale and Purchase Agreement and transactions contemplated thereunder, in accordance with the laws of the applicable jurisdiction, and such approvals, licenses, registrations, or filings are valid and in effect;
- (d) the Target Group has completed a corporate restructuring to the satisfaction of the Purchaser, including but not limited to (i) the Target WFOE and PRC Operating Company have entered into legally valid Contractual Arrangement with all Opco Registered Shareholders in accordance with the laws of the applicable jurisdiction to effectively control such licensed businesses and enjoy all economic benefits arising from the Business, and all VIE Agreements remain legal, valid, and binding on their respective parties under PRC law; (ii) the PRC legal advisers to the Purchaser have issued a legal opinion regarding the Contractual Arrangement, satisfactory to the Purchaser, which includes (but is not limited to) all legal opinions, confirmations, and recommendations required by paragraph 16 of the Guidance Letter; and (iii) the Target Group has obtained valid approvals, licenses, registrations, or filings from relevant government or regulatory authorities in any applicable jurisdiction in connection with such corporate restructuring;
- (e) there has not been any material adverse change in the shareholding of each Target Group Company (except for the sale and purchase of the issued shares in the Target Company under the Sale and Purchase Agreement), as well as their operational, financial, and transaction conditions;
- (f) the representations and warranties given by the Seller in the Sale and Purchase Agreement are true, accurate, complete and not misleading all respects, and that the Seller has not breached any of such representations and warranties in any way;

---

## LETTER FROM THE BOARD

---

- (g) there are no laws, regulations, or government department rules, injunctions, or orders in any jurisdiction that prohibit (whether temporarily or permanently) or delay any transaction under the Sale and Purchase Agreement;
- (h) the Stock Exchange has not determined that the Sale and Purchase Agreement and the transactions contemplated thereunder constitute a “reverse takeover” (as defined in the Listing Rules);
- (i) the Stock Exchange has issued written approval for the listing of and permission to deal in the Consideration Shares on the Main Board of the Stock Exchange, and such written approval and permission have not been withdrawn;
- (j) the Company has published the announcement and the circular regarding the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements of Chapter 14 of the Listing Rules, and the Shareholders have passed a resolution in the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (k) the Purchaser has obtained all necessary approvals, licenses, authorizations, registrations, or filings required to enter into and perform the Sale and Purchase Agreement and all transactions contemplated thereunder in accordance with the laws of the applicable jurisdiction (including but not limited to approvals, licenses, authorizations, registrations, or filings from internal and relevant government departments, but save as to conditions (i) and (j) above), and such approvals, licenses, registrations, or filings are valid and in effect.

Conditions (g) to (j) above cannot be waived by either party. The Purchaser may waive any of Conditions (a) to (f) above in writing from time to time. The Seller may waive Condition (k) above in writing from time to time. As at the Latest Practicable Date, neither the Seller nor the Purchaser has expressed an intention to waive any of the Conditions.

As at the Latest Practicable Date, Conditions (b), (c), (d) and (k) have been fulfilled, and the Company is not aware of any event or circumstance which may cause any of Conditions (e), (f) and (g) to remain unfulfilled as of the Long Stop Date or the date of the Completion, as applicable.

If any Condition cannot be fulfilled or (if applicable) waived by the Long Stop Date, the Sale and Purchase Agreement shall terminate and neither party shall have any obligations and liabilities under the Sale and Purchase Agreement save for any antecedent breaches of the terms thereof.

---

## LETTER FROM THE BOARD

---

### *Completion*

Completion of the Acquisition shall take place on the fifth (5th) Business Day after all the Conditions have been fulfilled or waived or such other date as may be agreed between the Seller and the Purchaser.

Upon Completion, the Target Group will become indirect wholly-owned subsidiaries of the Company and therefore, the financial information of the Target Group will be consolidated into the consolidated financial statements of the Group. The Group, by virtue of the Contractual Arrangement, shall enjoy the economic benefits of the PRC Operating Company and can control the directorship and the voting rights of the registered equity owners of the PRC Operating Company.

### *Non-competition Undertaking*

Pursuant to the terms of the Sale and Purchase Agreement, the Seller, Mr. Kong, CIPRUN Network Technology (Jiangsu) Co., Ltd.\* (中細軟網路科技(江蘇)有限公司) (a company established in the PRC of which Mr. Kong is the registered owner of approximately 47.2% equity interest, “**Jiangsu CIPRUN**”), and CIPRUN GROUP CO., LTD.\* (中細軟集團有限公司) (a wholly-owned subsidiary of Jiangsu CIPRUN which is also engaged in the provision of intellectual property related services in the PRC, “**CIPRUN Group**”) shall at Completion execute an undertaking to Target WFOE and the PRC Operating Company that each of Mr. Kong, the Seller, Jiangsu CIPRUN, CIPRUN Group and their respective subsidiaries shall:

- (a) refrain from soliciting or engaging with any existing clients served by the PRC Operating Company; and
- (b) direct to the PRC Operating Company:
  - (i) any online customer (whether new or existing) of any of them who enquires for any service covered by the Business to the extent such service relates to patent;
  - (ii) any offline customer (whether new or existing) of any of them who is based outside Guangdong Province and enquires for any service covered by the Business to the extent such service relates to patent; and
  - (iii) any new customer (whether online or offline) of any of them who enquires for any service covered by the Business to the extent such service does not relate to patent,

and the PRC Operating Company shall have the right of first refusal in respect of the provision of such services to such customers.

---

## LETTER FROM THE BOARD

---

### III. CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION

#### Transactions with CIPRUN GROUP

The PRC Operating Company has entered into transactions, which comprised of (i) interest income from borrowed fund (the “**Services To CIPRUN**”) of approximately RMB1,423,000 and RMB498,000 for the year ended 31 December 2024 and the three months ended 31 March 2025, respectively; and (ii) trademark filing costs and administrative reimbursement (the “**Services From CIPRUN**”) of approximately RMB5,171,000 and RMB1,186,000 for the year ended 31 December 2024 and the three months ended 31 March 2025, respectively, with various subsidiaries of CIPRUN Group, a company indirectly owned as to approximately 47.2% by Mr. Kong who will become a substantial shareholder of the Company upon Completion and will therefore become a connected person of the Company, in the ordinary and usual course of business.

Upon Completion, the transactions under Services to CIPRUN will cease while the transactions under Services From CIPRUN are expected to continue and will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, it is expected that the highest of the applicable percentage ratios in respect of the proposed annual caps for the Services From CIPRUN under Rule 14.07 of the Listing Rules will not exceed 25% and the total consideration is less than HK\$10,000,000. Accordingly, the transactions thereunder will be subject to the reporting, annual review, announcement but exempt from the circular and independent Shareholders’ approval requirements under Rule 14A.76(2)(b) of the Listing Rules.

Further announcement(s) will be made by the Company in respect of the Services To CIPRUN and the Services From CIPRUN in compliance with the requirements under Chapter 14A of the Listing Rules as and when appropriate.

### IV. INFORMATION ABOUT THE PARTIES

#### Information of the Group and the Purchaser

The Group is principally engaged in eCommerce, money lending and internet education services.

The Purchaser is an investment holding company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company.

---

## LETTER FROM THE BOARD

---

### Information of the Seller

The Seller is an exempted company incorporated in the Cayman Islands with limited liability. The Seller is principally engaged in investment holding, and is directly owned as to approximately 73.4% by CIPRUN International (which is in turn directly owned by Mr. Kong as to approximately 60.6%) and as to approximately 26.6% by other minority shareholders. CIPRUN Group, a wholly-owned subsidiary of Jiangsu CIPRUN of which Mr. Kong is the registered owner of approximately 47.2% equity interest, is recognised as one of the largest IP services providers in the PRC. Mr. Kong has not held any position in the PRC Operating Company before and after the restructuring of the PRC Operating Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the shareholders holding 10% or more of the other minority shareholders' shares and their respective ultimate beneficial owners, where applicable, are as follows:

Name of minority shareholder	% of shareholding in the Seller (approximately)	Ultimate beneficial owners
Zhikubao International Limited	10.7%	(1) LI Dan, LI Qian and LI Xiaoyan, together holding more than 70% of the shareholder (2) 24 other individuals, each of whom holding less than 10% of the shareholder
Shixinli International Limited	9.7%	(1) KANG Lili, XU Yajing and ZHOU Yufeng, together holding more than 50% of the shareholder (2) 19 other individuals and one corporation, each of whom holding less than 10% of the shareholder
Ruanshili International Limited	5.7%	(1) ZHANG Ce, HU Bo and WANG Yongheng, together holding more than 40% of the shareholder (2) 23 other individuals, each of whom holding less than 10% of the shareholder
Zhixiaohui International Limited	0.2%	(1) CHEN Yuanwei who beneficially owned more than 50% of the shareholder (2) 26 other individuals, each of whom holding less than 10% of the shareholder

---

## LETTER FROM THE BOARD

---

<b>Name of minority shareholder</b>	<b>% of shareholding in the Seller (approximately)</b>	<b>Ultimate beneficial owners</b>
Haozi International Limited	0.2%	(1) HE Yun and LI Dan, together holding more than 60% of the shareholder (2) 17 other individuals, each of whom holding less than 10% of the shareholder
Zhonglvzaixian International Limited	0.1%	(1) CHEN Yuanwei who beneficially owned more than 20% of the shareholder (2) 23 other individuals, each of whom holding less than 10% of the shareholder

CIPRUN Group was established in 2002 and specialises in intellectual property (IP) services, with a team of over 1,000 professionals. As an innovative technology service platform connecting the global innovation economy, CIPRUN Group is dedicated to fueling innovation worldwide. CIPRUN Group offers services across four main areas: IP rights authentication, trading, management, and finance, aiming to provide systematic solutions and information services for global technological innovation through internet technology and other means. CIPRUN Group's vision is to become the largest innovative technology service platform in the world, and its mission is to promote global innovation. CIPRUN Group actively participates in various industry activities, has received numerous accolades, and is committed to providing professional and systematic IP services to its clients.

### V. INFORMATION OF THE TARGET GROUP

#### **Principal business of the Target Company**

The Target Company is a company incorporated in the British Virgin Islands on 4 November 2024 and is principally engaged in investment holding. As at the Latest Practicable Date, the Target Company is a direct wholly-owned subsidiary of the Seller and the sole legal and beneficial owner of all issued shares in the Target HK Company. The Target Company has not recorded any profits as it has no business operation since its incorporation.

---

## LETTER FROM THE BOARD

---

### **Principal business of the Target HK Company**

The Target HK Company is a private company incorporated in Hong Kong on 18 November 2024 and is principally engaged in investment holding. As at the Latest Practicable Date, the Target HK Company is a direct wholly-owned subsidiary of the Target Company and the sole registered owner of the equity interest in the Target WFOE. The Target HK Company has not recorded any profits as it has no business operation since its incorporation.

### **Principal business of the Target WFOE**

The Target WFOE is a wholly foreign-owned enterprise established in the PRC on 29 November 2024 and is principally engaged in investment holding. As at the Latest Practicable Date, the Target WFOE is a direct wholly-owned subsidiary of the Target HK Company and, by virtue of the Contractual Arrangement, enjoys the economic benefits of the PRC Operating Company and can control the directorship and the voting rights of the registered equity owners of the PRC Operating Company. The Target WFOE has not recorded any profits as it has no business operation since its establishment.

### **Principal business of the PRC Operating Company**

The PRC Operating Company is a limited company established in the PRC on 9 February 2023. As at the Latest Practicable Date, it holds the Licence and principally operates the Business through its website/online platform which covers (i) patent agency services covered by the Licence; (ii) trademark and copyright agency services, including trademark and/or copyright application preparation, filing, IP management and maintenance; and (iii) other IP related services. From a customer's perspective, the comprehensive IP-related services offered under the online platform are available through one-off purchases. The PRC Operating Company has over 50 staff with more than one-third of them possessing the relevant qualification in IP agency.

Set out below are the types of service/product offering:

- (1) As an intermediary, the online platform facilitates the buying and selling of IP assets, including patents, trademarks, and copyrights, allowing sellers to list their IP for sale while enabling buyers to browse and purchase desired assets. Revenue for this service consists of an agency fee of approximately RMB1,313,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB7,696,000 for the year ended 31 December 2024, and approximately RMB1,869,000 for the three months ended 31 March 2025.

As the PRC Operating Company acts as an agent in these transactions, revenue is recognized on a net basis upon receipt of notification of official authorization. Accordingly, no gross profit is separately presented for this segment.



---

## LETTER FROM THE BOARD

---

- (2) The online platform, serving as an intermediary, provides IP rights authentication services for trademarks, patents and copyrights. After authentication of IP rights, the online platform provides management services that include changes, renewals, licensing, disputes, assessments, and responses to invalidation applications. Revenue for management services is charged at approximately RMB6,838,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB18,623,000 for the year ended 31 December 2024, and approximately RMB3,406,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 41%, 43% and 29%, respectively. Revenue for this service is recognised upon delivery of documentation to the relevant authority. The gross profit margin for each customer is determined individually by management, based on estimated costs to be incurred. The patent agency practice license\* (專利代理機構執業許可證) is required for patent-related services, while no license is needed for other IP types, such as trademarks.
- (3) Utilising technologies such as big data analytics, artificial intelligence, etc., the online platform offers robust IP protection services that combat infringement through analysis and monitoring by employing the aforementioned technologies to detect unauthorised use of IP and provide legal support to uphold rights holders' claims by acting as their agents in rights protection, litigation, anti-counterfeiting actions, etc. Revenue for these services is charged at approximately RMB98,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB226,000 for the year ended 31 December 2024, and approximately RMB86,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 53%, 82% and 83%, respectively. Revenue for this service is recognised upon completion of provision of the relevant services. The gross profit margin for each customer is determined individually by management, based on estimated costs to be incurred. The patent agency practice license\* (專利代理機構執業許可證) is required for patent-related services, while no license is needed for other IP types, such as trademarks, and if such services involve litigation, appropriately licensed legal professionals from a third party will be engaged to provide the necessary legal services.
- (4) The online platform is dedicated to empowering users with knowledge through strategic IP consultation services. It offers insights and analysis on the client's position and competitive edge of their IP portfolios compared to industry peers. The platform is equipped to devise both short term and long term strategies for client's IP assets, such as aggressive applications for new patents to occupy higher technological grounds or a defensive strategy by way of building a patent pool to inhibit encroachment of IP rights. Revenue for consultation services is charged at approximately RMB218,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB658,000 for the year ended 31 December 2024, and approximately RMB499,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 54%, 67% and 68%, respectively. Revenue for this service is recognised upon completion of the delivery of the consultation services. The gross profit margin for each customer is determined individually by management, based on estimated costs to be incurred.

---

## LETTER FROM THE BOARD

---

- (5) The online platform supports IP holders with financing options by offering IP pledge financing services and intermediary service in arranging bank financing, enabling them to leverage their patents and trademarks for capital. In addition, insurance on IP assets is also offered. Revenue from IP pledge financing services will be charged with a gross profit margin ranging from 50% to 70% and recognised upon completion of delivery of the relevant service. The gross profit margin for each customer will be determined individually by management, based on estimated costs to be incurred. This service will be provided in collaboration with third party(ies) that holds the necessary license.
- (6) The online platform offers valuation service for IP and digital IP to assess the market value of users' IP assets through identification and grading of such assets, providing critical information that can guide transactions and financing decisions. Revenue from valuation services is charged at approximately RMB218,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB1,668,000 for the year ended 31 December 2024, and approximately RMB662,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 54%, 58% and 61%, respectively. Revenue for this service is recognised upon issuance of the relevant report. The gross profit margin for each customer is determined individually by management, based on estimated costs to be incurred. This service is provided in collaboration with third-party professional appraisal companies that hold the necessary licenses.

Although the Board does not have direct expertise in the management of the PRC Operating Company, it does have extensive experience in the management of the Group's existing eCommerce business which together with the PRC Operating Company, will form the "online business division" within the Group for operational management purposes. Based on the current assessment of the Company's management, the businesses of the PRC Operating Company together with the Company's existing eCommerce segment are expected to fall under the broader "online business" segment upon Completion taking place.

## LETTER FROM THE BOARD

### Financial information of the PRC Operating Company

Set out below are the audited financial information of the PRC Operating Company prepared in accordance with HKFRS from the date of incorporation up to 31 December 2023, the year ended 31 December 2024 and the three months period ended 31 March 2025 as extracted from the accountant's report set out in Appendix II to this circular:

	From the date of incorporation up to 31 December 2023 <i>(audited)</i> RMB'000	For the year ended 31 December 2024 <i>(audited)</i> RMB'000	For the three months ended 31 March 2024 <i>(unaudited)</i> RMB'000	31 March 2025 <i>(audited)</i> RMB'000
Revenue	8,685	28,871	4,849	6,522
Profit before taxation	852	12,914	1,472	2,674
Profit/(loss) after taxation	809	9,671	1,088	2,005
	As at 31 December 2023 <i>(audited)</i> RMB'000	As at 31 December 2024 <i>(audited)</i> RMB'000	As at 31 March 2025 <i>(audited)</i> RMB'000	
Net assets	809	10,480	12,485	

By virtue of the Contractual Arrangement, the Target Company has indirect control over the PRC Operating Company and enjoys all actual or potential economic interests and benefits of the PRC Operating Company, and the PRC Operating Company will be accounted as subsidiary of the Target Company and the financial results of the PRC Operating Company shall be consolidated into the accounts of the Target Company.

### Shareholding structure of the Target Group

At the time of its establishment on 9 February 2023, the registered owners of the equity interest PRC Operating Company were Mr. Kong (as to 99.6% equity interest in the registered capital of the PRC Operating Company), Xie Ling\* (謝玲), Liu Jingrong\* (劉靜榮), Han Guoqiang\* (韓國強) and Li Bin\* (李斌) (each as to 0.1% equity interest in the registered capital of the PRC Operating Company).

After its establishment, PRC Operating Company commenced its application for the Licence. The Manual on Management of Patent Agents\* (專利代理管理辦法) (the “**Patent Agents Manual**”) promulgated by the State Administration for Market Regulation (國家市場監督管理總局) prohibits registered owners of a limited liability company engaged in patent agency services from occupying any position or practising as a patent agent in another limited liability company engaged in patent agency services. As Mr. Kong was the controlling

---

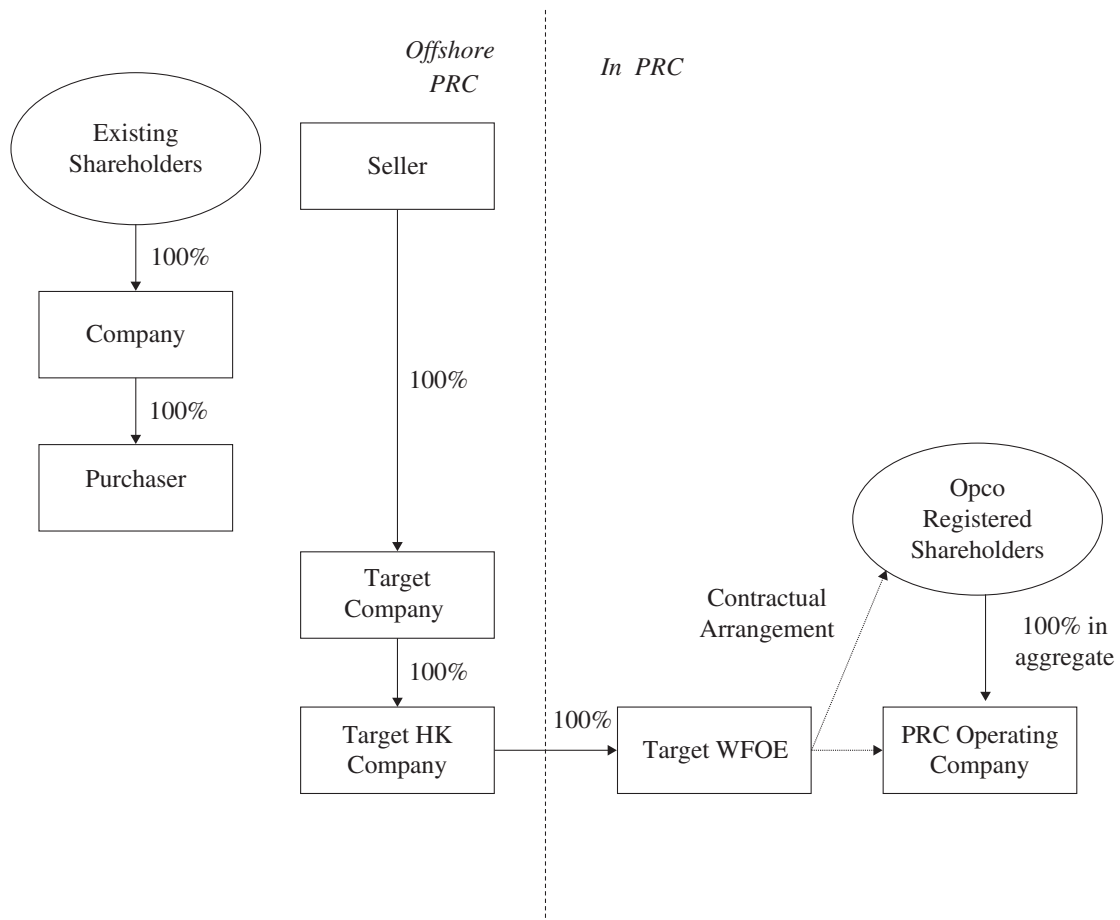
## LETTER FROM THE BOARD

---

shareholder of another limited liability company engaged in patent agency services which was (and is) not part of the Target Group, on 13 March 2023 and as a preparatory step for the PRC Operating Company's application for the Licence, Mr. Kong entered into a nominee equity interest ownership agreement with Zhang Fangfang\* (張芳芳) ("Ms. Zhang"), who had been employed as administration officer by the PRC Operating Company since 1 March 2023, pursuant to which Mr. Kong transferred his equity interest in the PRC Operating Company to Ms. Zhang who shall in turn hold such equity interest as Mr. Kong's nominee. The aforesaid nominee equity interest ownership arrangement terminated on 7 February 2025 upon the execution of the VIE Agreements in order to facilitate the transition of the ownership structure of the PRC Operating Company from nominee ownership to Contractual Arrangement in contemplation of the eventual Completion.

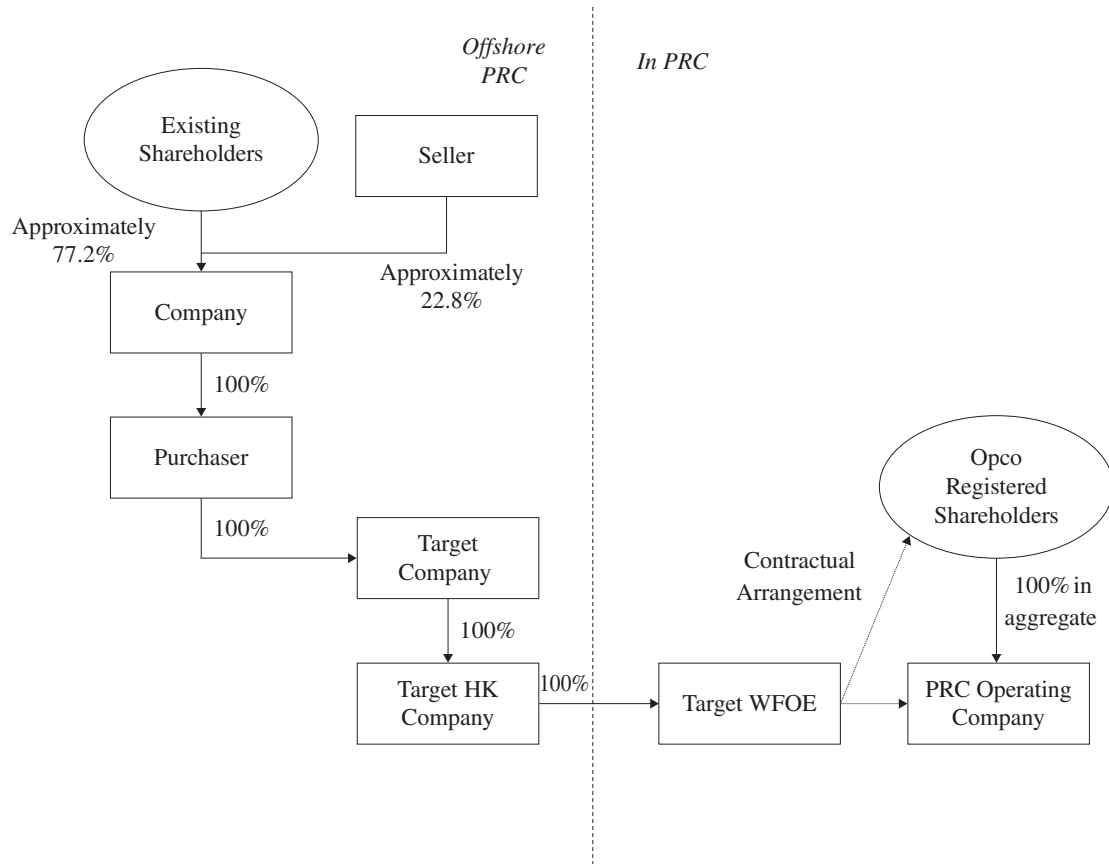
Upon termination of the abovementioned nominee equity interest ownership arrangement and the execution of the VIE Agreements, Ms. Zhang has remained the registered holder as to 99.6% equity interest in the registered capital of the PRC Operating Company.

The following diagram sets forth the shareholding structure of the Target Group as at the Latest Practicable Date:



## LETTER FROM THE BOARD

The following diagram sets forth the shareholding structure of the Target Group immediately upon Completion:



## VI. THE VIE AGREEMENTS

### Background and reasons for use of the VIE Agreements

The Group is principally engaged in eCommerce, money lending and internet education services.

The PRC Operating Company is a limited company established in the PRC, holds the Licence and principally operates through its website the Business which covers (i) patent agency services covered by the Licence; (ii) trademark and copyright agency services, including trademark and/or copyright application preparation, filing, IP management and maintenance; and (iii) other IP related services.

The Patent Agents Manual restricts ownership of equity interest in limited liability companies engaged in patent agency services to natural persons who are citizens of the PRC only; further, each such limited liability company must have at least five (5) individual shareholders, while no less than four-fifth (4/5) of them, as well as the company's legal representative, must hold individual patent agent qualification certificates (專利代理師資格證) with at least two (2) years' experience in practising as a patent agent. In light of the aforesaid

---

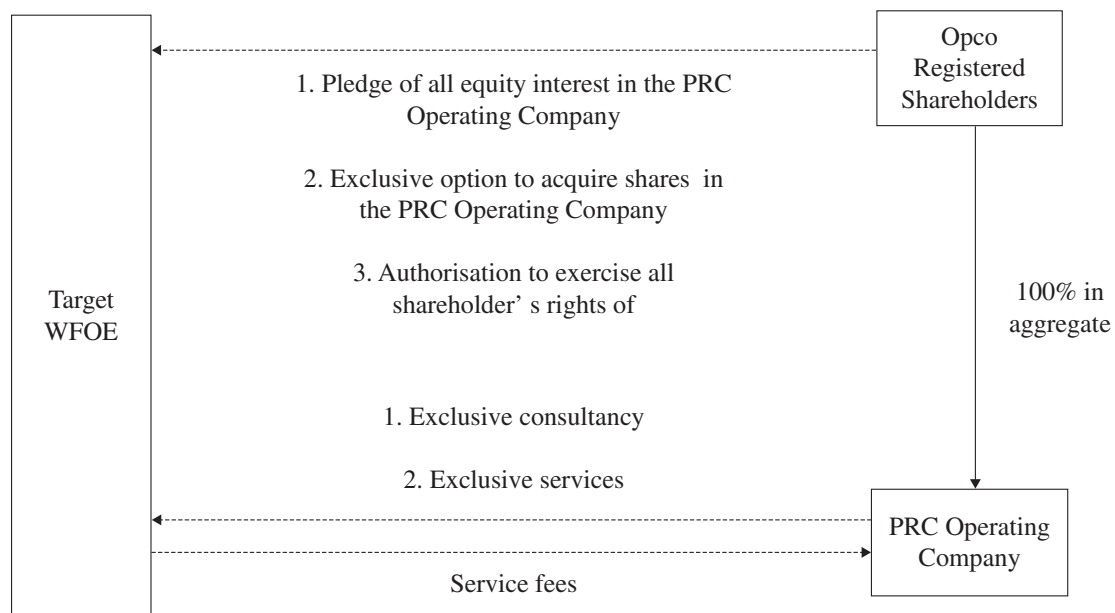
## LETTER FROM THE BOARD

---

ownership restriction, in order to comply with applicable PRC laws and regulations and obtain the entire economic benefits attributable to the PRC Operating Company, the Target WFOE and the OPCO Registered Shareholders entered into the VIE Agreements pursuant to which the Target WFOE shall have effective control over the finance and operation of the PRC Operating Company and enjoys the entire economic interests and benefits generated by the PRC Operating Company.

### The VIE Agreements

The following simplified diagram illustrates the flow of economic benefits from the PRC Operating Company to the Target WFOE stipulated under the VIE Agreements:



A summary of the key terms of the VIE Agreements already entered into by and among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders is set out below:

#### *(1) Exclusive Consultancy and Services Agreement*

Parties:                      (1) Target WFOE

                                    (2) PRC Operating Company

Date:                          7 February 2025

---

## LETTER FROM THE BOARD

---

**Subject Matter:** The PRC Operating Company engages the Target WFOE as the exclusive consultancy and services provider to provide the PRC Operating Company with consultancy and other services relating to the PRC Operating Company's business and operations, including without limitation provision of software, comprehensive information technology (IT) solutions, management and maintenance of hardware and database, development and renewal of software applications, training for technical staff, market data gathering and analysis, introduction of potential customers, consultancy on corporate and internal management structure, and other technical support and consultancy services as the PRC Operating Company may require from time to time (collectively the "**Services**").

During the term of the Exclusive Consultancy and Services Agreement, without the prior written consent of the Target WFOE, the PRC Operating Company is not allowed to engage or cooperate with any third party for the provision of the Services. The Target WFOE has the right to designate a third party to provide the Services to the PRC Operating Company.

**Consideration:** The PRC Operating Company shall pay to the Target WFOE a service fee which is equal to 100% of its net income after tax on an annual basis (the "**Service Fee**").

During the term of the Exclusive Consultancy and Services Agreement, the Target WFOE has the right to adjust the Service Fee without the consent of the PRC Operating Company.

The Service Fee was determined by the parties to ensure that the Target WFOE will enjoy the economic benefits of the VIE Agreements.

**Term:** The Exclusive Consultancy and Services Agreement remains in effect until the Target WFOE acquires (or becomes entitled under PRC law to acquire) ownership in the entire equity interest or all assets of the PRC Operating Company, or the Target WFOE unilaterally terminates the Exclusive Consultancy and Services Agreement, or the Exclusive Consultancy and Services Agreement must be terminated under PRC law.

---

## LETTER FROM THE BOARD

---

### (2) *Exclusive Call Option Agreement*

Parties: (1) Opco Registered Shareholders, namely Zhang Fangfang\* (張芳芳) (the registered owner of 99.6% equity interest in the registered capital of the PRC Operating Company), Xie Ling\* (謝玲), Liu Jingrong\* (劉靜榮), Han Guoqiang\* (韓國強) and Li Bin\* (李斌) (each the registered owner of 0.1% equity interest in the registered capital of the PRC Operating Company), each a natural person who is a PRC citizen.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, the Opco Registered Shareholders are third parties independent of the Company and its Connected Persons.

All Opco Registered Shareholders currently hold positions in the PRC Operating Company.

To the best information, knowledge and belief of the Directors, Zhang Fangfang\* (張芳芳) will be the substantial shareholder of a subsidiary (i.e. the PRC Operating Company) of the Company, and therefore will become a Connected Person at subsidiary level upon Completion. Save as aforesaid and as to the respective positions and shareholding currently held by the Opco Registered Shareholders in the PRC Operating Company, no other Opco Registered Shareholders currently holds or is expected to hold any position or shareholding in the Company or any of its subsidiaries. Therefore, the Board considers no other Opco Registered Shareholders are expected to become Connected Persons of the Company.

(2) Target WFOE

(3) PRC Operating Company

Date: 7 February 2025



---

## LETTER FROM THE BOARD

---

Subject Matter: The Opco Registered Shareholders irrevocably grant to the Target WFOE an exclusive option, at any time and from time to time, to purchase the entire equity interest in the PRC Operating Company held by the Opco Registered Shareholders through a single or a series of transaction(s), subject to compliance with applicable PRC laws and regulations. The Opco Registered Shareholders are prohibited from granting any such option to any person other than the Target WFOE.

The PRC Operating Company irrevocably grants to the Target WFOE an exclusive option, at any time and from time to time, to purchase all or any part of the assets respectively held by the PRC Operating Company or any of its subsidiaries (if any) through a single or a series of transaction(s), subject to compliance with applicable PRC laws and regulations. The PRC Operating Company is prohibited from granting any such option to any person other than the Target WFOE.

The Opco Registered Shareholders and the PRC Operating Company undertake that, among other things, they shall not without the prior written consent of the Target WFOE:

- (i) sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the equity interest in the PRC Operating Company, or allow the encumbrance thereon of any security interest;
- (ii) in any manner supplement, alter or revise the articles of association of the PRC Operating Company, increase or decrease its registered capital, or alter the structure of its registered capital in other manners;
- (iii) sell, transfer, mortgage or dispose of in any other manner any assets of the PRC Operating Company or any of its subsidiaries (if any);
- (iv) appoint or remove any director of the PRC Operating Company, supervisor or any other officer nominated by the Target WFOE; or
- (v) in any manner declare or distribute dividends to the shareholder(s) of the PRC Operating Company; or
- (vi) perform any action or inaction would may have an adverse effect on the continued existence of the PRC Operating Company or result in the discontinuation or liquidation of the PRC Operating Company.

---

## LETTER FROM THE BOARD

---

Consideration: The consideration for the purchase of the equity interest in the PRC Operating Company shall be a minimum purchase price as permitted by the prevailing PRC laws. Each of the Opco Registered Shareholders and the PRC Operating Company undertakes to return the full amount of consideration received by them to the Target WFOE.

The purchase price was determined by the parties to ensure that the Target WFOE will enjoy the economic benefits of the VIE Agreements.

Term: The Exclusive Call Option Agreement remains in effect until the Target WFOE acquires (or becomes entitled under PRC law to acquire) ownership in the entire equity interest or all assets of the PRC Operating Company, or the Target WFOE unilaterally terminates the Exclusive Call Option Agreement, or the Exclusive Call Option Agreement must be terminated under PRC law.

### *(3) Equity Pledge Agreement*

Parties: (1) Opco Registered Shareholders  
(2) Target WFOE  
(3) PRC Operating Company

Date: 7 February 2025

Subject Matter: The Opco Registered Shareholders agree to pledge to the Target WFOE, and the Target WFOE has a first priority pledge on, all of the equity interests (including the existing and any subsequently acquired registered capital in the PRC Operating Company and the relevant equity interests) in the PRC Operating Company held by the Opco Registered Shareholders (the “**Pledge**”) as security against any liability of any Opco Registered Shareholder, the PRC Operating Company or any of its subsidiaries (if any) arising from any breach of its obligations, or any representation, warranties or undertaking made being untrue or misleading in any material respect, under the Exclusive Consultancy and Services Agreement, the Exclusive Call Option Agreement, the Equity Pledge Agreement and/or the Shareholders’ Rights Entrustment Agreement (defined below) (each a “**Default Event**”).

---

## LETTER FROM THE BOARD

---

During the term of the Pledge, the Target WFOE is entitled to any dividend or other distributable interest generated by the pledged equity interests.

During the term of the Pledge, the Opco Registered Shareholders shall procure persons nominated by the Target WFOE be and remain appointed as the director, chairman of the board or executive director (as appropriate), legal representative and supervisor of the PRC Operating Company and each of its subsidiaries (if any), and all the company seals and chops, book and records of the PRC Operating Company and each of its subsidiaries (if any) shall be retained by the Target WFOE.

Pursuant to the Equity Pledge Agreement, the Opco Registered Shareholders undertake to the Target WFOE not to transfer or agree others to transfer all or any part of the Opco Registered Shareholders' equity interests in the PRC Operating Company or create or allow the encumbrance thereon of any pledged equity interests without the Target WFOE's prior written consent.

Term:

The Pledge shall become effective on the date when the Pledge is duly registered with the relevant Administration for Industry and Commerce (the “**Register Administration**”).

The Opco Registered Shareholders shall:

- (i) within 30 business days of the execution of the Equity Pledge Agreement, apply for registration of the Pledge with the Register Administration; and
- (ii) within 60 business days of the execution of the Equity Pledge Agreement, deliver to the Target WFOE documentary evidence of completion of all registration procedures.

During the term of the Pledge, if Default Event occurs, the Target WFOE is entitled but not obliged to dispose of the Pledge in accordance with the terms of the Equity Pledge Agreement.

The Equity Pledge Agreement remains in effect until the Target WFOE acquires (or becomes entitled under PRC law to acquire) ownership in the entire equity interest or all assets of the PRC Operating Company, or the Target WFOE unilaterally terminates the Equity Pledge Agreement, or the Equity Pledge Agreement must be terminated under PRC law.

---

## LETTER FROM THE BOARD

---

### **(4) *Shareholders' Rights Entrustment Agreement***

Parties: (1) Opco Registered Shareholders

(2) Target WFOE

(3) PRC Operating Company

Date: 7 February 2025

Subject Matter: The Opco Registered Shareholders irrevocably agree to entrust to the Target WFOE and/or its nominees (including the directors and their respective successors, and any liquidators replacing them, but excluding the Opco Registered Shareholders and any person who has a conflict of interest with the Target WFOE) their voting rights as shareholders in the PRC Operating Company, including without limitation:

- (i) as the agent of the Opco Registered Shareholders, to convene and attend the shareholders' meetings of the PRC Operating Company in accordance with its articles of association;
- (ii) to exercise all voting rights on behalf of the Opco Registered Shareholders on all matters and resolutions discussed or resolved, or to be discussed or resolved, in shareholders' meetings of the PRC Operating Company;
- (iii) to make and sign, and submit to relevant governmental authorities (including registration authorities) shareholder's resolutions and minutes of shareholders' meetings of the PRC Operating Company on behalf of the Opco Registered Shareholders; and
- (iv) to exercise all shareholder's rights the Opco Registered Shareholders are entitled to under the PRC laws and the articles of association of the PRC Operating Company.

After execution of the Voting Rights Entrustment Agreement, each of the Opco Registered Shareholders shall also execute power(s) of attorney in favour of the Target WFOE to give effect to the entrustment to Target WFOE and the Company's directors (including the directors and successors, and any liquidators replacing them, but excluding the Opco Registered Shareholders and any person who has a conflict of interest with the Target WFOE) of the shareholder's rights over the PRC Operating Company.

Term: The Voting Rights Entrustment Agreement remains in effect until the Target WFOE acquires (or becomes entitled under PRC law to acquire) ownership in the entire equity interest or all assets of the PRC Operating Company, or the Target WFOE unilaterally terminates the Voting Rights Entrustment Agreement, or the Voting Rights Entrustment Agreement must be terminated under PRC law.

---

## LETTER FROM THE BOARD

---

A summary of the key terms of the Powers of Attorney, being one of the VIE Agreements which will be executed and delivered by each Opco Registered Shareholder in favour of the Target WFOE at Completion is set out below:

**(5) *Powers of Attorney***

- Parties: (1) Each Opco Registered Shareholder separately
- (2) Target WFOE
- Date: To be executed and delivered by each Opco Registered Shareholder in favour of the Target WFOE at Completion
- Subject Matter: Each Opco Registered Shareholder irrevocably appoints the Company, the Target WFOE, and their respective nominees (including the Directors and their respective successors, and any liquidators replacing them, but excluding the Opco Registered Shareholders and any person who has a conflict of interest with the Company) as their exclusive attorney and authorised person to exercise all of his/her rights as a shareholder of the PRC Operating Company, including without limitation:
- (i) as the agent of the Opco Registered Shareholders, to convene and attend the shareholders' meetings of the PRC Operating Company in accordance with its articles of association;
  - (ii) to exercise all voting rights on behalf of the Opco Registered Shareholders on all matters and resolutions discussed or resolved, or to be discussed or resolved, in shareholders' meetings of the PRC Operating Company;
  - (iii) to make and sign, and submit to relevant governmental authorities (including registration authorities) shareholder's resolutions and minutes of shareholders' meetings of the PRC Operating Company on behalf of the Opco Registered Shareholders; and
  - (iv) to exercise all shareholder's rights the Opco Registered Shareholders are entitled to under the PRC laws and the articles of association of the PRC Operating Company.
- Term: Each Power of Attorney remains in effect until the date of termination of the Voting Rights Entrustment Agreement.

---

## LETTER FROM THE BOARD

---

### **DISPUTE RESOLUTION, LIQUIDATION AND SUCCESSION UNDER THE VIE AGREEMENTS**

#### **Dispute resolution**

The VIE Agreements are governed by and construed in accordance with the PRC laws. Each of the VIE Agreements contains a dispute resolution clause to the effect that, amongst others, any dispute arising from the VIE Agreements between the parties should first be resolved through negotiation. In the event that the dispute cannot be resolved within 30 days through negotiation, any party may submit the said dispute to China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) for arbitration in accordance with the then prevailing arbitration rules. The arbitration shall be conducted in Beijing and the language used in the arbitration shall be Chinese. The decision of the arbitration shall be final, conclusive and binding on the parties. Further, the arbitrators may award remedies over the shares and/or assets (including but not limited to land and properties) of the PRC Operating Company, injunctive reliefs (such as for the conduct of business and mandatory transfer of equity interest or assets) or order the winding up of the PRC Operating Company. The courts of competent jurisdictions (i.e. the courts in the PRC, Hong Kong, the Cayman Islands and locations where the principal assets of the parties are located) are empowered to grant interim remedies pending the formation of an arbitral tribunal or under appropriate circumstances.

#### **Liquidation**

Pursuant to the Exclusive Call Option Agreement, in the event of dissolution or liquidation of the PRC Operating Company pursuant to the applicable PRC laws, the Opco Registered Shareholders shall sell all of the PRC Operating Company's assets (after payment of liquidation expenses, employees' salaries, social security and statutory compensation payments, any outstanding tax, and any debt owed to the Target WFOE) to the Target WFOE at the lowest price permitted by applicable PRC laws. The Opco Registered Shareholders shall, to the extent permitted by the then prevailing PRC laws, pay any proceeds from such transaction to the Target WFOE.

All equity interests owned by the Opco Registered Shareholders in the PRC Operating Company are also pledged to the Target WFOE under the Equity Pledge Agreement to secure, among other things, the performance of obligations of the PRC Operating Company under the Exclusive Business Cooperation Agreement, Exclusive Call Option Agreement and the Powers of Attorney, and in case of any breach of such obligations, the Target WFOE is entitled to enforce the Pledge under the Equity Pledge Agreement. Accordingly, in the event of a dissolution or liquidation of the PRC Operating Company, a liquidator may seize and deal with the assets of the PRC Operating Company according to the order granted by arbitral tribunal or court of competent jurisdictions for the benefit of the Target WFOE's shareholders and creditors.

---

## LETTER FROM THE BOARD

---

### **Succession**

As advised by the PRC Legal Advisers, the VIE Agreements are also binding on the successors or permitted assignees of the Opco Registered Shareholders and/or the PRC Operating Company, as if such successors or permitted assignees were signing parties to the VIE Agreements. Under the succession law of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents and any breach by the successors would be deemed to be a breach of the VIE Agreements. As confirmed by the PRC Legal Advisers, the death, bankruptcy, dissolution or liquidation of the Opco Registered Shareholders and/or their respective successors or permitted assignees shall not affect the implementation of the VIE Agreements.

### **ARRANGEMENT TO ADDRESS POTENTIAL CONFLICT OF INTERESTS**

Under the Powers of Attorney, the Opco Registered Shareholders undertake that they shall not use the information obtained from the PRC Operating Company to act with an intent or purpose to breach the Powers of Attorney or take or omit to take any action which may lead to a conflict of interest between the Target WFOE and the PRC Operating Company. If there is any conflict of interest, the Opco Registered Shareholders shall support the legitimate interests of the Target WFOE and act in accordance with any reasonable request of the Target WFOE.

### **COMPLIANCE OF VIE AGREEMENTS WITH PRC LAWS, RULES AND REGULATIONS**

As advised by the PRC Legal Advisers, the VIE Agreements do not violate any PRC laws, rules and regulations applicable to the business of the PRC Operating Company and the Target WFOE and would not be deemed as “concealing illegal intentions with a lawful form” and void under the Contract Law of the PRC (中華人民共和國合同法).

The VIE Agreements are valid, legally binding on and enforceable against the parties thereto in accordance with their respective terms and provisions under the PRC laws upon execution or (in respect of the Equity Pledge Agreement) upon registration except the risks as set out in the paragraph headed “Certain terms of the VIE Agreements may not be enforceable under PRC laws” below.

As advised by the PRC Legal Advisers, while the Pledge has to be registered with the relevant Register Administration before it becomes enforceable, given that unanimous consent of the Opco Registered Shareholders has been obtained towards the Pledge, there should be no material legal impediment in completing the registration procedures of the Pledge.

---

## LETTER FROM THE BOARD

---

### INTERNAL CONTROL MEASURES

The VIE Agreements contain certain provisions in order to exercise effective control over and to safeguard the assets of the PRC Operating Company, including without limitation the transfer restriction over the equity interests in the PRC Operating Company subject to prior written consent of the Target WFOE and restriction over the declaration and distribution of dividend by the PRC Operating Company. Besides, the Target WFOE is entitled to exercise the rights of the Opco Registered Shareholders as shareholders of the PRC Operating Company to nominate and appoint the PRC Operating Company's directors, legal representative, supervisors and other senior management under the Powers of Attorney.

In addition to the abovementioned internal control measures as provided in the VIE Agreements, it is the current intention of the Company, through the Target WFOE, to implement additional internal control measures against the PRC Operating Company as appropriate, which may include but not limited to the following:

#### Management controls

- the Company will appoint two representatives comprising executive Directors and/or senior management of the Company (“**Board Representatives**”) to the board of directors of the PRC Operating Company. The Board Representatives are primarily responsible for enforcing all the management controls of the PRC Operating Company and are required to review the management review report which contains the financial information of the PRC Operating Company submitted by the senior management of the PRC Operating Company on a monthly basis;
- the Board Representatives shall conduct site visits to the PRC Operating Company and conduct interviews with the senior management of the PRC Operating Company from time to time;
- the chief executive officer of the PRC Operating Company shall report to the Board Representatives the business operations of the PRC Operating Company on a quarterly basis; and
- all seals, chops, incorporation documents and other legal documents of the PRC Operating Company shall, to the extent permitted by the PRC laws, be kept at the office of the Target WFOE.

#### Financial controls

- the financial controller of the PRC Operating Company shall be nominated by the Company. The finance team of the Company shall collect monthly management accounts, bank statements and cash balances and major operational data of the PRC Operating Company for review after the end of each month. The finance team shall seek explanation on any material fluctuations of the collected items from the senior management of the PRC Operating Company. Upon discovery of any suspicious matters, the finance team must report to the Board;



---

## LETTER FROM THE BOARD

---

- if the payment of the Service Fee by the PRC Operating Company to the Target WFOE is delayed, the CFO must meet with the Opco Registered Shareholders to investigate, and should report any suspicious matters to the Board;
- the PRC Operating Company shall submit copies of its latest bank statements for every bank accounts after the end of each month; and
- the PRC Operating Company shall assist and facilitate the Group or the Target WFOE to conduct all on-site internal audit on the PRC Operating Company if so required by the Company.

### Legal review

- the Board Representatives shall consult with the PRC Legal Advisers from time to time to check if there are any legal developments in the PRC affecting the arrangements contemplated under the VIE Agreements, and should report to the Board immediately to enable the Board to determine if any amendment or modification is required to be made.

### BOARD'S VIEW ON THE VIE AGREEMENTS

By entering into the VIE Agreements, the Target WFOE will enjoy the entire economic interests and benefits generated by the PRC Operating Company, since:

- (i) the amount of annual service fee payable by the PRC Operating Company to Target WFOE under the Exclusive Consultancy and Services Agreement shall be determined at the sole discretion of Target WFOE having taken into account, among others, the actual services and the commercial value of the services provided by Target WFOE and the financial results of the PRC Operating Company;
- (ii) in practice, following the entering into of the VIE Agreements, Target WFOE will be responsible for the overall business operation, thus the financial performance, of the PRC Operating Company, therefore, the net profits of the PRC Operating Company shall translate to the commercial value of the services provided by Target WFOE;
- (iii) in the event that any profits are reserved for distribution, (a) under the Equity Pledge Agreement, Target WFOE shall be entitled to the distribution generated by the pledged equity interests in the PRC Operating Company; and (b) under the Exclusive Call Option Agreement, the Opco Registered Shareholders and the PRC Operating Company have jointly and severally undertaken to Target WFOE that without the prior written consent of Target WFOE, they shall not distribute dividends of any kind; and

---

## LETTER FROM THE BOARD

---

- (iv) pursuant to the Power of Attorney, each of the Opco Registered Shareholders has unconditionally and irrevocably authorised Target WFOE to exercise all of their rights as shareholders of the PRC Operating Company, including but not limited to exercising full rights to control and manage the finance, accounting and daily operation of the PRC Operating Company.

Based on the above, the Board is of the view that the VIE Agreements, when viewed in totality, are specifically structured to achieve the PRC Operating Company's business purpose and to minimise the potential conflicts with and are enforceable under the relevant PRC laws and regulations. The Board considers that the VIE Agreements are an effective mechanism which enables the Target WFOE to gain control over the PRC Operating Company, and to be entitled to the economic interests and benefits of the PRC Operating Company. The Exclusive Call Option Agreement also provides that as soon as relevant PRC rules and regulations governing foreign investment in and/or local ownership of businesses engaged in patent agency services changed which allow the Target WFOE to register itself as the shareholder of the PRC Operating Company, the Target WFOE is entitled to exercise the option and terminate the VIE Agreements upon completion of the acquisition of the equity interest in the PRC Operating Company by the Target WFOE. The Directors further believe that save for disclosed in the sub-paragraph headed "Risk Factors in Relation to The VIE Agreements – Certain terms of the VIE Agreements may not be enforceable under PRC laws", the VIE Agreements are enforceable under the relevant PRC laws, and that the VIE Agreements will provide a mechanism that enables Target WFOE to exercise effective control over the PRC Operating Company based on the following reasons:

- (i) The Directors have consulted with the PRC Legal Advisers in respect of the enforceability of the VIE Agreements, and the PRC Legal Advisers are of the view that the VIE Agreements do not violate any mandatory requirements under PRC laws and administrative regulations applicable to the business of the PRC Operating Company, would not be deemed void under the PRC Civil Rights Code (中華人民共和國民法典) and the PRC Contract Law (中華人民共和國合同法), and do not violate the provisions of the articles of associations (or partnership agreements) of the Target WFOE and the PRC Operating Company.
- (ii) The Directors undertake that they shall consult the PRC legal advisers from time to time to check if there are any legal developments in the PRC affecting the Contractual Arrangement contemplated under the VIE Agreements, and shall, where necessary, immediately report to the Board and provide it with appropriate advice and recommendations to enable it to timely determine if any modification or amendment needs be made in compliance with the updated legal requirements.

The Board, based on the advice of the PRC Legal Advisers, consider that the use of VIE Agreements is in compliance with the relevant PRC laws and regulations currently in effect and are legally binding and enforceable. As a result of the Contractual Arrangement, the Enlarged Group is able to exert effective control over the PRC Operating Company as it has rights to exercise power over the PRC Operating Company (as entitled by its equity holders), receive

---

## LETTER FROM THE BOARD

---

variable returns from its arrangements with the PRC Operating Company, and has the ability to affect those returns through its power over the PRC Operating Company upon the completion of the Acquisition. Consequently, the Enlarged Group will treat the PRC Operating Company and/or any of its subsidiaries (if any) as controlled entities and consolidate the financial position and results of operations of these entities in the consolidated financial statements of the Group in accordance with HKFRS 10 – Consolidated Financial Statements upon the completion of the Acquisition. The Company has discussed with its auditors and confirmed the above assessment.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, the Directors are not aware of any factors that has led or would lead to any interference or encumbrance from any governing bodies in the Group's operating the business of the Target Group through the Contractual Arrangement under the VIE Agreements.

### **RISK FACTORS IN RELATION TO THE VIE AGREEMENTS**

#### **The PRC government may determine that the VIE Agreements do not comply with the applicable laws and regulations**

There can be no assurance that the VIE Agreements will be deemed by the relevant governmental or judicial authorities to be in compliance with the existing or future applicable PRC laws and regulations, or the relevant governmental or judicial authorities may in the future interpret the existing laws or regulations with the result that the VIE Agreements will be deemed to be in compliance with the PRC laws and regulations.

#### **Uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and/or the Patent Agents Manual and how it may impact the viability of the VIE Agreements, corporate governance and business operations of the Target Group**

On 15 March 2019, the Standing Committee of National People's Congress promulgated the 2019 PRC Foreign Investment Law, which became effective on 1 January 2020. The 2019 PRC Foreign Investment Law replaces the trio of existing laws regulating foreign investment in the PRC, namely, the Wholly Foreign-owned Enterprises Law, the Sino-foreign Equity Joint Ventures Law, and the Sino-foreign Cooperative Joint Ventures Law, together with their implementation rules and ancillary regulations, and embodies an expected PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, uncertainties still exist in relation to interpretation and implementation of the 2019 PRC Foreign Investment Law and any potential effect thereof on the interpretation and implementation of the Patent Agents Manual, especially in regard to, including, among other things, the nature of Contractual Arrangement. In case there would be material and adverse effect on the Target Group or the business of the PRC Operating Company arising from the 2019 PRC Foreign Investment Law and/or the interpretation and implementation of the Patent Agents Manual, the Company will timely

---

## LETTER FROM THE BOARD

---

announce (i) any updates or material changes to the 2019 PRC Foreign Investment Law and any potential effect thereof on the interpretation and implementation of the Patent Agents Manual; (ii) if any updates or material changes to the 2019 PRC Foreign Investment Law and/or the Patent Agents Manual are implemented, a clear description and analysis of the law, specific measures taken by the Company and/or the Target Group to be in compliance with the 2019 PRC Foreign Investment Law and/or the Patent Agents Manual with the support of a PRC legal opinion; and (iii) any material impact of the 2019 PRC Foreign Investment Law and/or the Patent Agents Manual on the Target Group's operations and financial position (if any).

The Contractual Arrangement has been adopted by many PRC-based companies to obtain necessary licenses and permits in the industries that are currently subject to ownership and/or foreign investment restrictions in the PRC. While neither the 2019 PRC Foreign Investment Law and its implementation regulations which took effect on 1 January 2020 nor the Patent Agents Manual has defined the Contractual Arrangement as a form of foreign investment explicitly, it cannot be guaranteed that future laws and regulations will not provide for the Contractual Arrangement as a form of foreign investment. Therefore, there can be no assurance that the Target Group's control over the PRC Operating Company through the Contractual Arrangement will not be deemed as a foreign investment under the PRC's laws governing foreign investment and/or ownership of businesses engaged in provision of patent agency services in the future.

In the event that any possible future laws, administrative regulations or provisions deem the Contractual Arrangement as a way of foreign investment under the PRC's laws governing foreign investment and/or foreign ownership of businesses engaged in provision of patent agency services, or if any of the PRC Operating Company's operations through the Contractual Arrangement is classified in the "restricted" or "prohibited" industry, the VIE Agreements may be deemed as invalid and illegal, and the Target Group may be required to unwind the Contractual Arrangement and/or dispose of any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to the existing Contractual Arrangement, the Target Group may face substantial uncertainties as to whether it can complete such actions in a timely manner, or at all.

The PRC government may determine that the VIE Agreements do not comply with the applicable PRC law, or if these regulations or their interpretations change in the future, the Target Group may be subject to penalties or be forced to relinquish its interests in those operations.

There can be no assurance that the VIE Agreements will be deemed by the relevant PRC governmental or judicial authorities to be in compliance with the existing or future applicable PRC law, or the PRC relevant governmental or judicial authorities may in the future interpret the existing laws or regulations with the result that the VIE Agreements will be deemed to be in compliance of the PRC law.

---

## LETTER FROM THE BOARD

---

Due to legal restrictions on ownership in companies engaging in the business of patent agency practice, the Target Group will operate the PRC Operating Company through the Contractual Arrangement with the PRC Operating Company and/or the Opco Registered Shareholders. The Contractual Arrangement enable the Target WFOE to: (i) hold effective control over the PRC Operating Company; (ii) receive substantially all of the economic benefits of the PRC Operating Company; and (iii) have an exclusive option to purchase all or any part of the equity interests in the PRC Operating Company held by the Opco Registered Shareholders when and to the extent permitted by applicable PRC laws or require the Opco Registered Shareholders to transfer any or part of such equity interest in the PRC Operating Company directly or indirectly held by them to another PRC person or entity designated by the Target WFOE at any time of its discretion. Because of the Contractual Arrangement, the Target WFOE will be the primary beneficiary of the equity interest in the PRC Operating Company held by the Opco Registered Shareholders and consolidate the results of operations of the PRC Operating Company into the Target Group's. The PRC Operating Company hold the licenses, approvals and key assets that are essential to its business operations.

If the PRC government finds that the Contractual Arrangement do not comply with the existing or future restrictions on foreign investment, or if the PRC government otherwise finds that the Target WFOE or any of the PRC Operating Company are in violation of the existing or future PRC law or lack the necessary permits or licenses to operate its business, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations or failures, including, without limitation:

- (a) revoking the PRC Operating Company's business and operating licenses;
- (b) discontinuing or restricting the PRC Operating Company's operations;
- (c) imposing fines or confiscating the PRC Operating Company's income that they deem to have been obtained through illegal operations;
- (d) imposing conditions or requirements with which the PRC Operating Company may not be able to comply;
- (e) requiring the PRC Operating Company to restructure the relevant ownership structure or operations;
- (f) restricting the PRC Operating Company's financing activities to finance the business and operations of the PRC Operating Company; or
- (g) taking other regulatory or enforcement actions that could be harmful to the PRC Operating Company's business.

---

## LETTER FROM THE BOARD

---

### **The VIE Agreements may not be as effective as direct ownership in providing control over the PRC Operating Company**

The Group will not have equity ownership interests in the PRC Operating Company and relies on the Contractual Arrangement under the VIE Agreements with the PRC Operating Company to operate the Business in the PRC. The VIE Agreements may not be as effective as direct ownership in providing the Group with control over the PRC Operating Company. For example, if the Target WFOE has direct ownership of the PRC Operating Company, it will be able to exercise its rights as a shareholder to effect changes in the board of directors of the PRC Operating Company. However, under the VIE Agreements, the Group relies on the performance by the Opco Registered Shareholders of their obligations under the VIE Agreements to exercise control over the PRC Operating Company.

In addition, if the Opco Registered Shareholders or the PRC Operating Company fail to perform their respective obligations under the VIE Agreements or otherwise have disputes with the Group, the Group may have to initiate arbitration or other legal proceedings and rely on legal remedies under PRC laws which may be limited and involve significant uncertainty. There can be no assurance that the outcome will be in the Group's favour and it may adversely affect the Group's ability to control the PRC Operating Company.

### **The Opco Registered Shareholders may potentially have a conflict of interests with the Group**

The Group's control over the PRC Operating Company is based on the Contractual Arrangement under the VIE Agreements with, among others, the Opco Registered Shareholder(s). Therefore, conflict of interests of the Opco Registered Shareholders will adversely affect the interests of the Company. Pursuant to the Powers of Attorney, the Opco Registered Shareholders will irrevocably appoint the Target WFOE as their exclusive agent and authorised person to exercise his/her/their rights as the shareholders of the PRC Operating Company. Therefore, it is unlikely that there will be potential conflict of interests between the Group and the Opco Registered Shareholders. However, in the unlikely event that conflict of interests arises and cannot be resolved, the Group will consider removing and replacing the Opco Registered Shareholder(s) through procuring the Target WFOE to exercise its option under the Exclusive Call Option Agreement.

### **The VIE Agreements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed**

The Group may face material adverse tax consequence if the PRC tax authorities determine that the arrangement under the VIE Agreements was not entered into on an arm's length basis. If the PRC tax authorities determine that the VIE Agreements were not entered into on an arm's length basis, they may adjust income and expenses of the Target WFOE and/or the PRC Operating Company for PRC tax purposes, which could result in higher tax liabilities on the Target WFOE and/or the PRC Operating Company.

---

## LETTER FROM THE BOARD

---

The operating and financial results of the Group may be materially and adversely affected if the tax liabilities of the Target WFOE or the PRC Operating Company increase significantly or if they are required to pay interest on late payments and other penalties.

### **Certain terms of the VIE Agreements may not be enforceable under PRC laws**

The VIE Agreements are governed by the PRC laws and all disputes which cannot be resolved by negotiations will be submitted for arbitration, whose ruling will be final and binding. Accordingly, the VIE Agreements would be interpreted in accordance with the PRC laws and disputes would be resolved in accordance with PRC legal procedures. The uncertainties in the PRC legal system could limit the Group's ability to enforce the VIE Agreements. In the event that the Group is unable to enforce the VIE Agreements, or if the Group suffers significant time delays or other obstacles in the process of enforcing them, it would be very difficult to exert control over the PRC Operating Company.

The VIE Agreements provide that the arbitral tribunal of the PRC may award remedies over the equity interests or assets of the PRC Operating Company or injunctive relief (such as for the conduct of business and mandatory transfer of equity interest or assets) or order the winding up of the PRC Operating Company. The VIE Agreements also include a clause in relation to dispute resolution among the parties where, when awaiting the formation of the arbitral tribunal or otherwise under appropriate conditions, the parties thereto may seek temporary injunctive relief or other temporary remedies from the courts in Hong Kong, the Cayman Islands, the PRC and the locations where the principal assets of the PRC Operating Company are located.

However, the PRC Legal Advisers are of the view that pursuant to the PRC laws, the arbitral tribunal may have no power to grant the aforementioned remedies or injunctive relief or to issue a provisional or final liquidation order. In addition, even though the VIE Agreements provide that overseas courts (e.g. courts in Hong Kong and the Cayman Islands) shall have the power to grant certain relief or remedies, such relief or remedies may not be recognised or enforced under the PRC laws. As a result, in the event that the PRC Operating Company or any of the Opco Registered Shareholder(s) breaches the terms of the VIE Agreements, the Group may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over the PRC Operating Company could be materially and adversely affected.

Furthermore, notwithstanding the relevant contractual provisions contained in the VIE Agreements, courts of competent jurisdiction may grant interim remedies only to the extent permitted under the PRC laws.



---

## LETTER FROM THE BOARD

---

### **A substantial amount of costs and time may be involved in transferring the ownership of the PRC Operating Company to the Group under the Exclusive Call Option Agreement**

The Exclusive Call Option Agreement grants the Target WFOE an exclusive right to purchase all or any part of the equity interests in the PRC Operating Company at the lowest price permitted by applicable PRC laws, under which the Target WFOE or its designated individual(s) and/or entity(ies) is entitled to purchase the equity interest in the PRC Operating Company from the Opco Registered Shareholders through a single or a series of transaction(s).

In case the Target WFOE exercises its option to acquire all or any part of the equity interests in the PRC Operating Company under the Exclusive Call Option Agreement, such acquisition may only be conducted to the extent as permitted by the applicable PRC laws and will be subject to necessary approvals and relevant procedures under the PRC laws. In addition, such acquisition may be subject to a minimum price limitation (such as an appraised value for the equity interests in the PRC Operating Company) or other price limitations as imposed by the applicable PRC laws. Further, a substantial amount of costs and time may be involved in transferring the ownership of the PRC Operating Company to the Target WFOE or its designated individual(s) and/or entity(ies), which may have a material adverse impact on the Group's business, prospects and results of operation.

### **The Company does not have any insurance which covers the risks relating to the VIE Agreements and the transactions contemplated thereunder**

The insurance of the Group does not cover the risks relating to the VIE Agreements and the transactions contemplated thereunder. The Company has made inquiry with its insurance provider whose feedback is it does not offer any insurance product to cover such risks and accordingly, the Company is not in a position to purchase any new insurance in this regard. If any risk arises from the VIE Agreements in the future, such as those affecting the enforceability of the VIE Agreements and the operation of the PRC Operating Company, the financial results and financial position of the Group may be adversely affected. However, the Group will monitor the relevant legal and operational environment from time to time to comply with the applicable laws and regulations. In addition, the Group will implement relevant internal control measures to reduce the operational risk. The Group will continue evaluating the feasibility, the cost and the benefit of insuring the transactions under the VIE Agreements.

### **Economic risks the Target WFOE bears as the primary beneficiary of the PRC Operating Company, financial support to the PRC Operating Company and potential exposure of the Group to losses**

As the primary beneficiary of the PRC Operating Company, the Target WFOE will share both profit and loss of the PRC Operating Company and bears economic risks which may arise from difficulties in the operation of the PRC Operating Company's business. The Target WFOE may have to provide financial support in the event of financial difficulty of the PRC Operating Company. Under these circumstances, the Group's financial results and financial position may be adversely affected by the worsening financial performance of the PRC Operating Company and the need to provide financial support to it.



---

## LETTER FROM THE BOARD

---

### COMMERCIAL BENEFITS OF THE VIE AGREEMENTS

As outlined in the section headed “VI. The VIE Agreements – Background and Reasons for Use of the VIE Agreements”, the Target WFOE needs to adopt the Contractual Arrangement through the entering into of the VIE Agreements so that it can engage in the business of patent agency services in the PRC covered by the Licence.

Apart from the regulatory benefits, adopting the Contractual Arrangement allows the Group to have effective control over the finance and operation of the PRC Operating Company and to enjoy the entire economic interests and benefits granted by the PRC Operating Company. The Group can also benefit from the use of the licences and permits held by the PRC Operating Company as well as the clientele developed by the PRC Operating Company at present and in the future. It also enables the Group to provide additional IP registration and management services which create synergies with the customers and/or suppliers of the Group’s existing e-commerce business by serving their potential demand for such services, and leverage the technological and human capital of the PRC Operating Company to facilitate the development of the Group’s existing e-commerce platform to cover a wide range of products and further expansion in the online retail sector in the PRC.

On the above basis, the Board is of the view that the terms of the VIE Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### VII. REASONS FOR AND BENEFITS OF THE ACQUISITION

The PRC Operating Company is a specialised technology service platform dedicated to enhancing the PRC’s innovation ecosystem by providing comprehensive solutions in intellectual property (IP) asset management and maintenance. Established in alignment with national policies of the PRC to strengthen its IP capabilities, the platform integrates “Internet + Big Data + Technological Innovation”, prominently featuring the use of artificial intelligence (AI) and metaverse technologies to offer a one-stop service for the creation, transaction, protection, and management of IP assets. It combines business operations focused on IP authentication, transactions, rights protection, and financial services with advanced technologies including AI and blockchain. The platform is divided into two layers: the upper layer, which involves business processes including intellectual property authentication, transactions, rights protection, and finance; and the lower layer, which encompasses technology streams including intellectual property technology, artificial intelligence, blockchain, cloud services, and big data.

According to a report by Jazzyear in 2023, the PRC technology service market is experiencing significant growth, with a compound annual growth rate (“CAGR”) of 14% anticipated over the next five years commencing 2023. This growth is driven by escalating demand across key sectors such as new-generation information technology, biotechnology, and renewable energy, where companies are increasingly seeking advanced services to enhance efficiency and foster innovation. Currently, approximately 98.9% of technology enterprises express a need for such services, with over 60% being small to medium-sized firms.

---

## LETTER FROM THE BOARD

---

According to the National Bureau of Statistics (國家統計局) of the PRC, China's investment in research and development has demonstrated a significant increase, with total expenditure rising from approximately RMB2,214.4 billion in 2019 to approximately RMB3,335.7 billion in 2023, representing a CAGR of approximately 8.5%. Additionally, the number of patent applications has increased significantly from approximately 4.4 million in 2019 to approximately 5.6 million in 2023, representing a CAGR of approximately 4.9%.

According to the 2024 National Intellectual Property Service Industry Statistical Survey Report, published by the China National Intellectual Property Administration (CNIPA) in September 2024, the PRC IP service market has experienced notable quantitative growth, generating approximately RMB285 billion in revenue in 2023, which reflects a 5.6% increase from the previous year. By the end of 2023, there were about 89,000 IP service providers in the PRC, including 5,269 patent agencies and 35,712 trademark agencies, marking a year-on-year increase of 2.9%. The industry employed around 984,000 practitioners, a 1.5% increase from the prior year, with 34,396 registered patent agents, reflecting a 9.7% rise. Geographic coverage of IP service institutions has improved, with services available in 89.6% of prefecture-level administrative areas. Notably, 64.9% of service providers offer at least two types of IP services, and 13.4% provide more than three types. In 2023, the number of patent applications handled by patent agencies accounted for 90.6% of all domestic patent applications, a significant increase of 9.1% over the previous year. The agency rate for invention patent applications reached 94.4%, an increase of 4.7% over the previous year.

The Group is principally engaged in eCommerce, money lending and internet education services, among which, the Group's eCommerce business is currently focused on the sale of refurbished mobile phones via its own eCommerce platforms, with plans to potentially relaunch and expand its presence on overseas eCommerce platforms such as Back Market, Amazon and eBay, as well as the range of products offered on the Group's own eCommerce platform and other eCommerce platforms once the Acquisition is materialised. As of the Latest Practicable Date, the Group does not have concrete plans for the relaunch and expansion of its presence on overseas eCommerce platforms which as discussed above, are subject to Completion taking place. The refurbished phones sold by the Group undergo appearance grading, full functional testing with diagnostics software checks, and thorough cleansing before being sold to the customers. The Board recognises the current growth trajectory of eCommerce and sees an opportunity to enhance the platform to host e-shops operated by third parties, thereby offering a wider range of products. The Company currently has no plan to acquire any business or company conducting in similar business in the next twelve months. Should the Acquisition become materialised, the Company will further review the then market conditions and devise an eCommerce expansion strategy that best utilises the additional resources provided by the Target Group.

The Directors believe that the Acquisition would bring significant strategic advantages for the Group, particularly by enhancing its overall product/service offerings in the rapidly evolving digital landscape in the Group's eCommerce business. By integrating the PRC

---

## LETTER FROM THE BOARD

---

Operating Company's expertise in IP, the Group can better support its existing and/or potential clients in navigating the complexities of IP management, thereby creating additional value for the Group's customers which would hopefully expand the Group's customer base.

Moreover, by leveraging the expertise of the PRC Operating Company in IP management, the Group could substantially improve its compliance with relevant IP laws and regulations. This not only reduces potential legal risks but also strengthens the overall brand value, and instills greater confidence among consumers and stakeholders.

The Acquisition also presents an opportunity for product/service diversification, enabling the Group to expand its offerings to include a broader range of solutions such as IP consulting, registration services, and strategic advice on IP management. This diversification can attract new clients seeking comprehensive support for their IP needs and create valuable cross-selling opportunities with the Group's existing customer base, thus enhancing overall revenue streams.

The Group's current suppliers and customers in the refurbished mobile phone business could significantly benefit from IP registration and management agency services. To the knowledge of the Directors, many of these stakeholders, including those selling mobile phone parts and accessories, may not fully realise the importance of protecting their trademarks and brand names. By offering IP agency services, the Group can assist these businesses in securing their technological advantages and a differentiator in an otherwise crowded marketplace, which can enhance brand recognition and competitive positioning in the market, and thereby lead to stronger relationships with suppliers and customers, fostering loyalty and further engagement with the Company's eCommerce platform.

Should the Acquisition become materialised, the Group plans to offer bundled services to its existing customers under the online platform. These bundled services could include not only refurbished mobile phones but also consultancy on IP rights, providing a comprehensive solution to resellers. The Company at present has not yet conducted formal feasibility studies regarding the diversification and the option to offer bundled services which is expected to be conducted after Completion. However, the Directors believe that such diversification could attract a broader customer base and enhance overall value. The potential to offer these bundled services will be explored in detail once the Acquisition is finalised, allowing for a more strategic approach to implementation.

The Group's existing online platform currently serves as a marketplace primarily for users to purchase refurbished mobile phones. The Target Group is expected to bring valuable technological advancements to the Group's existing online platform that improve both functionality and user experience due to its specialised expertise in technology and digital solutions, coupled with a strong track record of innovation in the online business. By integrating advanced technologies such as artificial intelligence and machine learning, the platform can become more responsive and personalised, tailoring recommendations to individual users based on their browsing and purchasing behavior. Additionally, the Target Group's expertise in digital solutions can lead to the creation of a more intuitive user interface, making navigation seamless and enjoyable for customers. Streamlining operations through

## LETTER FROM THE BOARD

automation tools can significantly reduce the time and resources spent on inventory management and customer service, allowing for faster order fulfillment and improved customer satisfaction. Furthermore, the incorporation of sophisticated data analytics tools will provide valuable insights into market trends and customer preferences, enabling the Group to make informed decisions and optimise marketing strategies. Enhanced security features will also ensure the protection of user data, thereby fostering trust and loyalty among customers.

Furthermore, integrating IP services into the Group's operations can drive innovation in its eCommerce offerings. By providing robust support for the development of unique products and solutions, the Company can differentiate itself in a crowded marketplace. This focus on innovation not only enhances the product portfolio but also positions the Company for sustainable growth and long-term competitiveness, ensuring it remains flexible and responsive to market trends and consumer demands.

Accordingly, the Directors are of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### VIII. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 4,081,448,005 Shares in issue. The following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the allotment and issue of the Initial Consideration Shares (assuming there is no further change to the share capital and the shareholding structure of the Company between the Latest Practicable Date and the date of Completion; and (iii) immediately after the allotment and issue of the Earn-out Consideration Shares (assuming, other than the issue of the Initial Consideration Shares, there is no further change to the share capital and the shareholding structure of the Company between the date of Completion and the date of the issue of the Earn-out Consideration Shares):

Shareholders	As at the Latest Practicable Date		Immediately after the allotment and issue of the Initial Consideration Shares		Immediately after the allotment and issue of the Earn-out Consideration Shares	
	%		%		%	
	<i>No. of Shares</i>	<i>(note 2)</i>	<i>No. of Shares</i>	<i>(note 2)</i>	<i>No. of Shares</i>	<i>(note 2)</i>
Zhu Min <i>(note 1)</i>	990,284,000	24.3	990,284,000	18.7	990,284,000	17.4
Seller	–	–	1,205,334,000	22.8	1,605,334,000	28.2
Other public shareholders	3,091,164,005	75.7	3,091,164,005	58.5	3,091,164,005	54.4
Total	<u>4,081,448,005</u>	<u>100.0</u>	<u>5,286,782,005</u>	<u>100.0</u>	<u>5,686,782,005</u>	<u>100.0</u>

---

## LETTER FROM THE BOARD

---

*Notes:*

1. Mr. Zhu Min is a Director. He owns 356,000,000 Shares in his own name and 634,284,000 through Cybernaut International Limited, a company of which he is the sole shareholder.
2. The percentage figures in this table are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

Upon Completion, the Seller (or its designated third party) will become a substantial Shareholder, holding approximately 22.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Initial Consideration Shares (assuming there will be no further change in the share capital of the Company prior to the Completion). The issuance of the Consideration Shares will not result in a change of control of the Company.

### **IX. FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP**

Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Group will be consolidated into the Group's consolidated financial statements.

#### **Earnings**

Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Group. Further details of the PRC Operating Company are set out in "Appendix II – Accountant's Report of the PRC Operating Company" to this circular.

#### **Assets and liabilities**

Based on the annual report of the Group for the year ended 31 December 2024, as at 31 December 2024, the Group had total assets, total liabilities and net assets of approximately RMB393.9 million, RMB312.1 million and RMB81.8 million, respectively.

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular, if the Acquisition had been completed on 31 December 2024, the total assets and total liabilities of the Enlarged Group would have increased to approximately RMB573.1 million and RMB379.7 million, respectively, and the net assets of the Enlarged Group would have increased to approximately RMB193.4 million.

The unaudited pro forma combined statement of assets and liabilities of the Enlarged Group as at 31 December 2024 was prepared based on (i) the Group's unaudited consolidated statement of assets and liabilities as at 31 December 2024; (ii) the PRC Operating Company's audited consolidated statement of assets and liabilities as at 31 March 2025; and (iii) the pro forma adjustments described in the notes to the unaudited pro forma consolidated statement of assets and liabilities. Further details of the unaudited pro forma financial information of the Enlarged Group immediately following completion of the Acquisition are set out in Appendix IV to this circular.

---

## LETTER FROM THE BOARD

---

### X. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% and less than 100%, the Acquisition constitutes a major transaction of the Group under Rule 14.06 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

**The Completion is conditional upon fulfillment or waiver (as the case may be) of the conditions under the Sale and Purchase Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

### XI. EGM

The EGM will be convened at Unit 1002, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong on Friday, 5 September 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the Consideration Shares). Set out on pages EGM-1 to EGM-4 of this circular is a notice convening the EGM to consider and, if appropriate, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the Consideration Shares). A form of proxy for use by the Shareholders at the EGM or any adjourned meeting is also enclosed herewith.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in the notice of the EGM will be voted by poll.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of their respective close associates have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting at the EGM for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

---

## LETTER FROM THE BOARD

---

### **XII. CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 2 September 2025 to Friday, 5 September 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 1 September 2025.

### **XIII. RECOMMENDATION**

The Directors consider that terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the Consideration Shares) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully,  
For and on behalf of the Board  
**Cybernaut International Holdings  
Company Limited**  
**Mr. Zhu Min**  
*Chairman*



**1. FINANCIAL INFORMATION OF THE GROUP**

The audited consolidated financial statements of the Group for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 together with the relevant notes thereto are disclosed in the following documents, which were published on both the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.cybernaut.com.hk](http://www.cybernaut.com.hk)):

- the annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 165-311);
- the annual report of the Company for the year ended 31 December 2023 published on 25 April 2024 (pages 140-283); and
- the annual report of the Company for the year ended 31 December 2024 published on 20 June 2025 (pages 154-299).

**2. INDEBTEDNESS STATEMENT**

At the close of business on 30 June 2025, being latest practicable date prior to this circular for ascertaining certain information relating to the indebtedness statement, the indebtedness of the Enlarged Group was as follows:

**Borrowings**

As of 30 June 2025, the Enlarged Group had total outstanding borrowings of approximately RMB4,051,000 owed to certain independent third parties. This amount carries a contractual interest rate at a range of 0% to 8% per annum, is unsecured, and is not guaranteed by any form of collateral or third-party assurance. It is repayable within one year.

**Promissory Notes**

As of 30 June 2025, the Enlarged Group had outstanding amounts of promissory notes totalling approximately RMB176,513,000, held by certain independent third parties. Among these, the outstanding promissory note of approximately RMB2,027,000 is unsecured, carries a coupon interest rate at 6% per annum, and is repayable within one year. The outstanding promissory notes of approximately RMB173,881,000 are secured by the Enlarged Group's leasehold land and building, carries a coupon interest rate of 8% per annum, and are repayable within one year. The remaining promissory note of approximately RMB605,000 is secured by certain security accounts held by a subsidiary of the Enlarged Group, carries a coupon interest rate of 36% per annum, and is repayable within one year. None of the promissory notes are guaranteed by any form of collateral or third-party assurance.



**Lease liabilities**

As of 30 June 2025, the Enlarged Group had outstanding lease liabilities totalling approximately RMB1,002,000, consisting of two leases for leasehold lands and buildings, typically with terms of two years. The leases do not impose any covenants. The minimum lease payments due within one year amount to approximately RMB1,002,000. The incremental borrowing rates applied to the measurement of lease liabilities range of 5.70% to 6.87%. The lease liabilities are not secured by any form of guarantee, collateral, or third-party assurance.

**Contingent liabilities**

For the contingent liabilities relating to outstanding litigations, please refer to paragraph “LITIGATION” of Appendix V of this circular.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Enlarged Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of the borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 30 June 2025.

Save as aforementioned in this indebtedness statement, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Enlarged Group since 30 June 2025, up to and including the Latest Practicable Date.

**3. WORKING CAPITAL STATEMENT**

The Directors are satisfied after due and careful consideration and taking into account the present internal financial resources available to the Enlarged Group, the effect of the Acquisition and in the absence of unforeseen circumstances, the Enlarged Group will have sufficient working capital for its present requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up.

## 5. FINANCIAL AND TRADING PROSPECTS

In anticipation of 2025, the Group perceives substantial uncertainties in the external environment, accompanied by several positive factors. The escalation of trade protectionism is expected to disrupt global trade and investment dynamics. Additionally, the United States may decelerate its pace of interest rate reductions due to renewed inflationary pressures, potentially undermining global economic confidence. However, further monetary policy easing by major economies is anticipated to bolster global demand. Supported by robust fundamentals and strong policy backing from the central government, the mainland economy is projected to sustain stable growth.

While Hong Kong's overall merchandise exports may be adversely affected by U.S. trade protection measures, the continued stability of the global economy is likely to support further growth in these exports. In terms of service exports, the central government's initiatives to facilitate cross-border travel, along with various measures from the Hong Kong Special Administrative Region ("HKSAR") government, are expected to attract a greater influx of visitors to Hong Kong. Cross-border financial and commercial activities will benefit from progressively easing financial conditions, while trade-related service exports will gain from the sustained growth of merchandise trade.

Regarding local demand, the economic climate is set to improve as the mainland implements more proactive policies to stimulate growth, coupled with relaxed financial conditions and initiatives from the HKSAR government aimed at promoting economic development. This environment should favor fixed asset investment, although uncertainties in the external landscape may impact investor confidence. Similar factors, along with rising employment income, are expected to enhance private consumption, notwithstanding potential constraints on recovery pace due to shifts in consumer spending behaviour. The Hong Kong economy is projected to grow by 2% to 3% in 2025, with basic consumer price inflation expected to remain moderate at 1.5%.

In the eCommerce segment, due to the Trump administration's implementation of "reciprocal tariffs" at the beginning of April, particularly high tariffs on goods from the PRC, the prices of Chinese products sold to the U.S. have significantly increased, weakening the competitiveness of products in the domestic market. The Group will consider selling in the PRC or Southeast Europe to ensure that product competitiveness is not affected by tariffs.

In the money lending segment, as Hong Kong is an open economy and global economic uncertainty persists, the outlook for the Hong Kong property market is also unstable. Therefore, in 2025, the Group will take a more conservative approach in this business direction. In terms of clientele, the focus will be on seeking clients from large groups or those recommended by partners in subprime mortgage lending. Regarding collateral, the emphasis will be on first-mortgage property loans to ensure the Group can timely collect interest income and that the collateral can be quickly liquidated to offset potential default risks.

In the online education business segment, due to the “double reduction” policy implemented by the Beijing government in July 2021, the Group has suspended its online extracurricular training services for Chinese students since July 2021. In 2025, the company will restart its education and related services operations in accordance with new regulatory requirements and updated guidelines.

In addition to the Group’s three core businesses, the Group will continue to pursue diverse business opportunities to maximise shareholder returns. One of the Group’s investment holding companies, based in Hong Kong, is focused on identifying market opportunities for communication, navigation, and remote sensing satellite technology products and solutions in Hong Kong, Southeast Asia, and the Middle East. It is dedicated to providing customised smart technology solutions tailored to client needs, including various types of satellite positioning terminal equipment primarily compatible with the BeiDou Navigation Satellite System, as well as customised spatial-temporal smart solutions based on high-precision positioning.

Through PTF AreaTech Company Limited, an indirect 51% owned subsidiary of the Company which principally engaged in exploring business opportunities related to satellite applications that utilise communication, navigation, and remote sensing technologies, the Group is actively engaging in collaborative discussions with local enterprises and government bodies across several Association of Southeast Asian Nations (“ASEAN”) countries, focusing on projects that include, but are not limited to, smart agriculture, mapping and surveying, slope deformation monitoring, smart traffic systems, and smart ports. As of December 2024, the Group has signed memoranda of understanding with two companies to explore potential collaboration. Moving forward, the Group will consistently allocate additional resources to expand the spatial-temporal smart industry in Southeast Asia, recognising the ASEAN market as the fastest-growing region in smart city development over the next five years. Its geographic proximity to the PRC and Hong Kong further enhances the Group’s deployment capabilities in the region, thereby delivering value and returns to shareholders. Additionally, the company is enhancing its internal research and development capabilities and application scenario testing, with plans to establish branches in Southeast Asia in the near future to manage local operations more efficiently and expand its business footprint.

In respect of the Target Group and the IP industry in the PRC, several policies were introduced in 2024 including the “Opinions on Deepening Collaborative Protection and Strengthening Legal Safeguards for Intellectual Property”\* (《深化協同保護加強知識產權法治保障的意見》) which aim to establish a framework of “strict protection, broad protection, rapid protection, and uniform protection”. Additionally, the “Opinions on Promoting Standardisation, Normalisation, and Facilitation of Intellectual Property Public Services”\* (《推進知識產權公共服務標準化規範化便利化的意見》) were implemented to enhance service efficiency, and the “Regulations on Policy-Making Procedures”\* (《規章制定程序規定》) were established to standardise the policy development process. In 2024, the PRC’s IP sector made significant strides, with enhanced legislation and legal protections leading to improved examination efficiency with average review times for (i) invention patents were approximately 15.5 months; and (ii) trademark registrations were approximately 4 months, both aligning with international standards. The intellectual property protection system is

continuously improving, with a total of 124 national protection and rapid response centers established in the PRC. The effectiveness of results transformation is significant, with universities and research institutions completing 1.349 million patent inventories, and the proportion of effective invention patents among enterprises reaching 73.7%, with an industrialisation rate of 53.3%. The Target Group's development plan for 2025 focuses on improving customer satisfaction through an end-to-end service system, optimising industry structure with differentiated front-end and standardized back-end operations, enhancing talent and resource supply, and refining governance with tiered customer management.

The Enlarged Group will remain vigilant regarding potential uncertainties and challenges, committed to expanding its operations through stringent cost control and prudent risk management. The Enlarged Group has consistently prioritised the establishment of a robust corporate culture to enhance cohesion, striving to align the ideals and values shared by every employee. In response to the challenges posed by the global environment, economy, and consumer market, the Enlarged Group will implement flexible strategies to stabilise operations and optimise revenue sources. The Enlarged Group will continue to diversify its business portfolio to mitigate external threats and increase revenue streams. Active exploration of new products and collaboration opportunities with suppliers and customers across various industries will remain a priority, aiming to deliver greater value for the Shareholders.

*The following is the text of a report set out on pages II-1 to II-31, received from the independent reporting accountant, Beijing Xinghua Caplegend CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Circular.*



## ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CYBERNAUT INTERNATIONAL HOLDINGS COMPANY LIMITED

### Introduction

We report on the historical financial information of Newsbaba LTD (the “**Target Company**”) and its subsidiaries (together, the “**Target Group**”) set out on pages II-4 to II-31, which comprises consolidated statements of financial position as at 31 December 2023, 31 December 2024 and 31 March 2025, the target company statements of financial position as at 31 December 2024 and 31 March 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the period from 9 February 2023 (date of establishment) to 31 December 2023, the year ended 31 December 2024 and the three months ended 31 March 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages II-4 to II-31 forms an integral part of this report, which has been prepared for inclusion in the circular of Cybernaut International Holdings Company Limited (the “**Company**”) dated 20 August 2025 (the “**Circular**”) in connection with the proposed acquisition of the Target Company by the Company.

### Directors' responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The financial statements of the Target Group for the Track Record Period (“**Underlying Financial Statements**”), on which the Historical Financial Information is based, were prepared by the directors of the Target Company. The directors of the Target Company are responsible for the preparation of the Underlying Financial Statements that gives a true and fair view in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified

Public Accountants (the “**HKICPA**”), and for such internal control as the directors determine is necessary to enable the preparation of Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Reporting accountant’s responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants’ Reports on Historical Financial Information in Investment Circulars issued by HKICPA. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant’s judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Target Company as at 31 December 2024 and 31 March 2025, the consolidated financial position of the Target Group as at 31 December 2023, 31 December 2024 and 31 March 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

### **Review of stub period comparative financial information**

We have reviewed the stub period comparative financial information of the Target Group which comprises the consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended and other explanatory information (the “**Stub Period Comparative**

**Financial Information**”). The directors of the Target Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited**

***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

**Beijing Xinghua Caplegend CPA Limited**

*Certified Public Accountants*

Yeung Chun Wa

Practising Certificate Number P08421

Hong Kong, 20 August 2025

**HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP****Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Underlying Financial Statements, on which the Historical Financial Information is based, were audited by Beijing Xinghua Caplegend CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.



**APPENDIX II ACCOUNTANTS' REPORT OF THE PRC OPERATING COMPANY**

**A. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		For the period from 9 February 2023 (date of establishment) to 31 December 2023	For the year ended 31 December 2024	For the three months ended 31 March 2024	For the three months ended 31 March 2025
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
<b>REVENUE</b>	4	8,685	28,871	4,849	6,522
Cost of sales and services		(4,974)	(11,019)	(2,358)	(2,883)
<b>GROSS PROFIT</b>		3,711	17,852	2,491	3,639
Other income and gains, net	5	230	1,458	283	507
Selling and marketing expenses		(1,805)	(5,055)	(1,035)	(1,193)
Administrative expenses		(1,122)	(1,306)	(256)	(273)
Finance cost		(162)	(35)	(11)	(6)
<b>PROFIT/(LOSS) BEFORE TAX</b>		852	12,914	1,472	2,674
Income tax expense	6	(43)	(3,243)	(384)	(669)
<b>PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD</b>	7	809	9,671	1,088	2,005

B. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
	<i>Notes</i>			
<b>NON-CURRENT ASSETS</b>				
Right-of-use assets	9	2,456	461	369
<b>Total non-current assets</b>		2,456	461	369
<b>CURRENT ASSETS</b>				
Trade receivables	10	150	871	1,006
Prepayments, other receivables and other assets	11	13,836	31,237	34,060
Cash and bank balances	12	1,534	5,900	7,570
<b>Total current assets</b>		15,520	38,008	42,636
<b>CURRENT LIABILITIES</b>				
Trade payables	13	449	727	832
Contract liabilities	14	10,558	21,807	25,999
Other payables and accruals	14	3,512	5,063	3,393
Lease liabilities	15	1,347	392	296
<b>Total current liabilities</b>		15,866	27,989	30,520
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(346)	10,019	12,116
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		2,110	10,480	12,485
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	15	1,301	—	—
<b>Total non-current liabilities</b>				
<b>NET ASSETS</b>		809	10,480	12,485
<b>EQUITY</b>				
Share capital	16	—	—	—
Reserves		809	10,480	12,485
<b>TOTAL EQUITY</b>		809	10,480	12,485

**C. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Share capital</b> <i>RMB'000</i>	<b>Retained earnings</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
At 9 February 2023 (date of Establishment)	–	–	–
Profit and total comprehensive income for the period	<u>–</u>	<u>809</u>	<u>809</u>
At 31 December 2023 and 1 January 2024	–	809	809
Profit and total comprehensive income for the year	<u>–</u>	<u>9,671</u>	<u>9,671</u>
At 31 December 2024 and 1 January 2025	<u>–</u>	<u>10,480</u>	<u>10,480</u>
Profit and total comprehensive income for the period	<u>–</u>	<u>2,005</u>	<u>2,005</u>
At 31 March 2025	<u>–</u>	<u>12,485</u>	<u>12,485</u>
	<b>Share capital</b> <i>RMB'000</i>	<b>Retained earnings</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
At 1 January 2024	–	809	809
Loss and total comprehensive expenses for the period (Unaudited)	<u>–</u>	<u>1,088</u>	<u>1,088</u>
At 31 March 2024 (Unaudited)	<u>–</u>	<u>1,897</u>	<u>1,897</u>

## D. CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the period from 9 February 2023 (date of establishment) to 31 December 2023 RMB'000	For the year ended 31 December 2024 RMB'000	For the three months ended 31 March 2024 RMB'000 (Unaudited)	For the three months ended 31 March 2025 RMB'000
<b>Cash flows from operating activities</b>				
Profit before tax	809	12,914	1,472	2,674
Interest expenses	162	35	11	6
Depreciation of right-of-use assets	1,039	381	97	92
Interest income	(146)	(1,428)	(172)	(507)
Operating profit before working capital changes	1,864	11,902	1,408	2,265
Change in trade receivables	(150)	(721)	(175)	(135)
Change in other receivables	(13,836)	(17,401)	(6,960)	(2,823)
Change in trade payables	449	278	(196)	105
Change in other payables	3,512	1,551	643	(1,670)
Change in contract liabilities	10,558	11,249	6,325	4,192
Cash generated from operations	2,537	6,858	1,045	1,934
Income taxes paid	–	(1,874)	(430)	(181)
Lease interests paid	(162)	(35)	(11)	(6)
<b>Net cash generated from operating activities</b>	<b>2,375</b>	<b>4,949</b>	<b>604</b>	<b>1,747</b>
<b>Cash flows from investing activity</b>				
Interest received	4	5	–	9
<b>Net cash generated from investing activity</b>	<b>4</b>	<b>5</b>	<b>–</b>	<b>9</b>
<b>Cash flows from financing activities</b>				
Repayment of lease liabilities	(845)	(588)	(147)	(86)
<b>Net cash used in financing activities</b>	<b>(845)</b>	<b>(588)</b>	<b>(147)</b>	<b>(86)</b>
<b>Net increase in cash and cash equivalent</b>	<b>1,534</b>	<b>4,366</b>	<b>457</b>	<b>1,670</b>
Cash and cash equivalents at the beginning of year/period	–	1,534	1,534	5,900
<b>Cash and cash equivalents at the end of year/period</b>	<b>1,534</b>	<b>5,900</b>	<b>1,991</b>	<b>7,570</b>

TARGET COMPANY STATEMENT OF FINANCIAL POSITION

	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
<b>NON-CURRENT ASSETS</b>		
Investment in a subsidiary	10,480	12,485
<b>Total non-current assets</b>	—	—
<b>Total current assets</b>	—	—
<b>NET CURRENT ASSETS</b>	—	—
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	—	—
<b>NET ASSETS</b>	—	—
<b>EQUITY</b>		
Share capital	—	—
Reserves	10,480	12,485
<b>TOTAL EQUITY</b>	10,480	12,485

## E. NOTES TO FINANCIAL INFORMATION

### 1. GENERAL, REORGANISATION AND BASIS OF PREPARATION

#### 1.1 General Information

Newsbaba LTD (the “**Target Company**”) was incorporated in the British Virgin Islands on 4 November 2024 as an exempted company with limited liability. Newsbaba Technology Limited (the “**Target HK Company**”), a wholly-owned subsidiary of the Target Company, was incorporated in Hong Kong on 18 November 2024 with limited liability. Suzhou Niu Si Baba Technology Co., Ltd. (the “**Target WFOE**”), an indirect subsidiary of the Target Company, was incorporated in the People’s Republic of China (the “**PRC**”) on 29 November 2024 as a wholly foreign-owned enterprise.

The Target Company is an investment holding company and its subsidiaries are principally operating the business through its website/online platform which covers (i) patent agency services covered by the Licence; (ii) trademark and copy right agency services, including trade mark and/or copyright application preparation, filing, IP management and maintenance; and (iii) other IP related services (the “**Business**”). From a customer’s perspective, the comprehensive IP-related services offered under the online platform are available through one-off purchases. The ultimate controlling shareholder (the “**Controlling Shareholder**”) is Mr. KONG Junmin (“**Mr. Kong**”), the shareholder of CIPRUN International Limited as to approximately 60.6% who is also the registered owner of approximately 47.2% equity interest in the registered capital of Jiangsu CIPRUN.

The Historical Financial Information of the Target Company and its subsidiaries (collectively referred to as the “**Target Group**”) are presented in Renminbi (“**RMB**”), unless otherwise stated.

#### 1.2 Reorganisation

In preparation for the proposed acquisition (the “**Acquisition**”) of the Target Group Cybernaut International Holdings Company Limited (the “**Company**”), the Target Group underwent a reorganisation (the “**Reorganisation**”), pursuant to which,

- i. The Target WFOE entered into a series of contracts (“**VIE Contracts**”) with the Beijing Niu Si Baba Intellectual Property Agency Co., Ltd (“**PRC Operating Company**”), their PRC Beneficial Owners who are Ms. Zhang Fangfang, Ms. Xie Ling, Mr. Liu Jingrong, Mr. Han Guoqiang and Mr. Li Bin, and their PRC Registered Shareholders such that the respective economic benefits, control of the board of directors and member’s voting rights and operations of the PRC Operating Company would be enjoyed by the Target Company via the Target WFOE after the Reorganisation; and
- ii. The registration(s) of the equity pledge over all the equity interests in the PRC Operating Company by the then registered owner(s) to the WFOE were completed and registered with the relevant branches of the market supervision authority in the PRC. Upon completion of the Reorganisation, the PRC Operating Company is accounted for as a subsidiary of the Target Company by virtue of the arrangement under the VIE Contracts.

Upon completion of the Reorganisation on 7 February 2025, the Target Company became the holding company of the companies now comprising the Target Group.

Upon completion of the Reorganisation and as at the date of this report, the Target Company had direct or indirect interests in the following subsidiaries:

Company Name	Place and date of incorporation and nature of legal entity	Issued and paid up capital	Effective interest held			Principal activities
			31 December 2023	31 December 2024	31 March 2025	
Directly held:						
Target HK Company	HK, 18 November 2024, limited liability company	–	–	100%	100%	Investment holding

Company Name	Place and date of incorporation and nature of legal entity	Issued and paid up capital	Effective interest held			Principal activities
			31 December 2023	31 December 2024	31 March 2025	
<b>Indirect held:</b>						
Target WOFE	PRC, 29 November 2024, limited liability company	–	–	100%	100%	Investment holding
<b>Controlled pursuant to the VIE contracts:</b>						
PRC Operating Company	PRC, 9 February 2023, limited liability company	–	100%	100%	100%	(Note)

No audited financial statements have been issued for these companies since their respective dates of incorporation.

The English translation of the Target WFOE, PRC Operating Company is for identification purpose only. These companies do not have official English names.

### 1.3 Basis of preparation

Immediately prior to and after the Reorganisation, the Business was carried out by the PRC Operating Company. Pursuant to the Reorganisation, the PRC Operating Company is under the effective control of Target WOFE and ultimately the Target Company through the VIE Contracts. The Target Company, the Target HK Company and Target WOFE newly set up during the Reorganisation have not been involved in any other business prior to the Reorganisation and their operations do not meet the definition of a business. The Reorganisation is merely a reorganisation of the Business and does not result in any changes in business substance, nor in any management or the controlling shareholder of the Business. Accordingly, the Target Group resulting from the Reorganisation is regarded as a continuation of the Business under Target HK Company and, for the purpose of this report, the Historical Financial Information has been prepared and presented as a continuation of the consolidated financial statements of Target HK Company and its subsidiaries, with the assets and liabilities of the Target Group recognised and measured at the carrying amounts of the Business under the consolidated financial statements of Target HK Company for all periods presented.

Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

## 2. SUMMARY OF ACCOUNTING POLICY INFORMATION

This note provides a list of material accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied to all the years and periods presented, unless otherwise stated. The Historical Financial Information is for the Target group consisting of the Target Company and its subsidiaries.

### 2.1 Basis of preparation

The Historical Financial Information of the Target Company has been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Target Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 3.

All relevant amendments to HKFRS Accounting Standards that are effective during the Track Record Period have been adopted by the Target Group consistently throughout the Track Record Period, to the extent they become effective as required by the relevant standards.

*New standards, amendments to existing standards and interpretations not yet adopted*

The following new standards and amendments to standards have not come into effect for the financial year beginning 1 January 2025, and have not been early adopted by the Target Group in preparing these consolidated financial statements. None of these new standards and amendments to standards is expected to have a material effect on the consolidated financial statements of the Target Group.

Standards	Subject of amendment	Effective for annual periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRSs Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HK Int 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

**2.2 Summary of material accounting policies***(a) Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Target Group has control. The Target Group controls an entity when the Target Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Target Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the Target Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Target Group.

*(i) Subsidiaries controlled through contractual arrangements*

As described in Note 1.2, the Target WFOE has entered into VIE Contracts with the PRC Operating Company, their PRC Beneficial Owners who are Ms. Zhang Fangfang, Ms. Xie Ling, Mr. Liu Jingrong, Mr. Han Guoqiang and Mr. Li Bin, and their PRC Registered Shareholders which enable the Target Company via the Target WFOE to:

- exercise effective financial and operational control over the PRC Operating Company;
- exercise equity holders' voting rights of the PRC Operating Company;
- receive substantially all of the economic interest and returns generated by the PRC Operating Company in consideration for the business support, technical and consulting services provided by the Target WFOE, at the Target WFOE's discretion;
- obtain an irrevocable and exclusive right to purchase the entire equity interest in the PRC Operating Company from the equity holders;



- obtain a pledge over the entire equity interest in the PRC Operating Company from its equity holders as collateral security for all of the PRC Operating Company's payments due to the Target WFOE and to secure performance of the PRC Operating Company's obligations under the VIE Contracts, respectively.

The Target Group does not have any equity interest in the PRC Operating Company. However, as a result of the VIE Contracts, the Target Group has rights to variable returns from its involvement with the PRC Operating Company and has the ability to affect those returns through its power over the PRC Operating Company and is considered to control the PRC Operating Company. Consequently, the Target Company regards the PRC Operating Company as a controlled structure entity and combined the financial position and result of operations of the PRC Operating Company in the Historical Financial Information of the Target Group during the Track Record Period.

**(b) *Separate statement of financial position***

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Target Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

**(c) *Functional and presentation currency***

Items included in the financial statements of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Target Company's functional and the Target Group's presentation currency.

**(d) *Leases***

*As a lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Target Group.

Contracts may contain both lease and non-lease components. The Target Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Target Group under residual value guarantees;
- the exercise price of a purchase option if the Target Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Target Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Target Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Target Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Target Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

*As a lessor*

Lease income where the Target Group is a lessor is recognised in profit or loss on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statement of financial position based on their nature.

**(e) Impairment of non-financial assets**

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(f) Financial assets**

**i. Classification**

The Target Group classifies its financial assets in those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Target Group reclassifies debt investments when and only when its business model for managing those assets changes.

**ii. Recognition and measurement**

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Target Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Target Group has transferred substantially all the risks and rewards of ownership.

*iii. Measurement*

At initial recognition, the Target Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated income statement.

Subsequent measurement of debt instruments depends on the Target Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

*(d) Impairment*

The Target Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Target Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 18 (a) for further details.

Impairment on other receivables and deposits are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL, see Note 18 (a) for further details.

*(g) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

*(h) Trade and other receivables*

A receivable is recognised when the Target Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost.

*(i) Cash and cash equivalents*

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

*(j) Trade and other payables (other than refund liabilities)*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(k) Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(l) Employee benefits**

**(i) Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

**(ii) Pension obligations**

The Target Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Target Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Target Group to the funds.

**(iii) Termination benefits**

Termination benefits are recognised at the earlier of the dates when the Target Group can no longer withdraw the offer of those benefits and when the Target Group recognises restructuring costs and involves the payment of termination benefits.

**(m) Current and deferred income tax**

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**(i) Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Target Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Target Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

**(ii) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Target Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(n) Provisions and contingent liabilities**

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Target group recognises any impairment loss on the assets associated with that contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

**(o) Revenue and other income**

Income is classified by the Target Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Target Group's assets under leases in the ordinary course of the Target group's business.

Further details of the Target Group's revenue and other income recognition policies are as follows:

**(i) Revenue from contracts with customers**

Revenue is recognised when or as control of a service is transferred to a customer, at the amount that reflects the consideration to which the Target Group expects to be entitled in exchange for those services, excluding amounts collected on behalf of third parties, such as value-added tax or other sales taxes. In determining revenue recognition, the Target Group evaluates whether it acts as a principal or an agent in each arrangement, based on whether it obtains control of the underlying goods or services before they are transferred to the customer.

Specifically, the Target Group generates revenue from the following categories of intellectual property ("IP") related services:

**(a) IP trading facilitation services**

The Target Group acts as an agent for IP trading facilitation transactions, where it arranges for IP including trademarks, patents and copyrights transfers between buyers and sellers. Revenue is recognised on a net basis, reflecting the margin earned from facilitating these transactions. Revenue recognition occurs at a point in time, specifically when both parties (buyer and seller) have executed the transaction agreements, and control of the intellectual property has transferred from the seller to the buyer.

## (b) IP agency and registration services

The Target Group acts as a principal for these services, which include patent, trademark, and copyright application preparation, filing, management, and maintenance services. The revenue is recognised at a point in time, specifically when the Target Group submits the application or related documentation to the relevant regulatory authority. At this point, the Target Group has fulfilled its performance obligation, as control has transferred to the customer.

## (c) Other IP related services. From a customer's perspective, the comprehensive IP-related services offered under the online platform are available through one-off purchases

(ii) *Other income*

## (a) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## (b) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(p) *Contract liabilities*

A contract liability is recognised when the customer pays non-refundable consideration before the Target Group recognises the related revenue. A contract liability is also recognised if the Target Group has an unconditional right to receive non-refundable consideration before the Target Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(q) *Related parties*

## (a) A person, or a close member of that person's family, is related to the Target group if that person:

- (i) has control or joint control over the Target group;
- (ii) has significant influence over the Target group; or
- (iii) is a member of the key management personnel of the Target group or the Target group's parent.

## (b) An entity is related to the Target group if any of the following conditions applies:

- (i) The entity and the Target group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Target group or an entity related to the Target group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target group or to the Target group's parent.
- (ix) personnel services to the Target group or the Target group's parent.

### 3. ACCOUNTING JUDGEMENTS AND ESTIMATES

#### (a) Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Target group's accounting policies, management has made the following accounting judgements:

##### (i) *Determining the lease term*

As explained in policy above, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Target group, the Target group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Target group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Target group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Target group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

##### (b) Sources of estimation uncertainty

###### (i) *Impairment of trade and other receivables*

The Target Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

###### (ii) *Income taxes*

The Target Group is subject to income taxes. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## 4. REVENUE

	For the period from 9 February 2023 (date of establishment) to 31 December 2023 RMB'000	For the year ended 31 December 2024 RMB'000	For the three months ended 31 March 2024 RMB'000 (Unaudited)	For the three months ended 31 March 2025 RMB'000
<i>Revenue from contracts with customers</i>				
– Agency of Trademarks, copyrights and patents	6,774	19,523	3,289	4,357
– Trade of Trademarks, copyrights and patents	1,435	7,696	1,267	1,869
– Other	476	1,652	293	296
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue from contracts with customers	<u>8,685</u>	<u>28,871</u>	<u>4,849</u>	<u>6,522</u>
<i>Timing of revenue recognition</i>				
– At a point in time	8,685	28,871	4,849	6,522
– Over time	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue from contracts with customers	<u>8,685</u>	<u>28,871</u>	<u>4,849</u>	<u>6,522</u>

## 5. OTHER INCOME AND GAINS, NET

	For the period from 9 February 2023 (date of establishment) to 31 December 2023 RMB'000	For the year ended 31 December 2024 RMB'000	For the three months ended 31 March 2024 RMB'000 (Unaudited)	For the three months ended 31 March 2025 RMB'000
Rental income	84	127	111	–
Bank interest income	2	5	–	9
Other interest income	144	1,423	172	498
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>230</u>	<u>1,458</u>	<u>283</u>	<u>507</u>



## 6. INCOME TAX EXPENSE

	For the period from 9 February 2023 (date of establishment) to 31 December 2023 <i>RMB'000</i>	For the year ended 31 December 2024 <i>RMB'000</i>	For the three months ended 31 March 2024 <i>RMB'000</i> <i>(Unaudited)</i>	For the three months ended 31 March 2025 <i>RMB'000</i>
Current tax – PRC corporate income tax – Provision for the year	43	3,243	384	669
	43	3,243	384	669

Under the PRC Enterprise Income Tax Law (the “EIT Law”), the standard enterprise income tax rate for PRC operating entities is 25%.

**Reconciliation between tax expense and accounting profit at the applicable tax rate:**

A reconciliation of the tax expense applicable to profit before tax using the applicable rates for the regions in which the Target Group are domiciled to the tax expense at the effective tax rate is as follows:

	For the period from 9 February 2023 (date of establishment) to 31 December 2023 <i>RMB'000</i>	For the year ended 31 December 2024 <i>RMB'000</i>	For the three months ended 31 March 2024 <i>RMB'000</i> <i>(Unaudited)</i>	For the three months ended 31 March 2025 <i>RMB'000</i>
Profit before tax	852	12,914	1,472	2,674
Tax at the weighted average tax rate	43	3,229	368	669
Income not subject to tax	–	–	–	–
Tax effect of non- deductible expenses	–	14	16	–
Total income tax expenses	43	3,243	384	669

## 7. PROFIT/(LOSS) FOR THE YEAR/PERIOD

	For the period from 9 February 2023 (date of establishment) to 31 December 2023 RMB'000	For the year ended 31 December 2024 RMB'000	For the three months ended 31 March 2024 RMB'000 (Unaudited)	For the three months ended 31 March 2025 RMB'000
Auditor's remuneration	–	–	–	–
Cost of sales and services	4,974	11,019	2,358	2,883
Depreciation charge of right-of-use assets	1,039	381	97	92
Directors' emoluments	–	–	–	–
Staff costs including directors' emoluments (Note)				
– Salaries, bonuses and allowances	344	121	19	76
– Retirement benefits scheme contributions	12	26	5	14
	<u>356</u>	<u>147</u>	<u>25</u>	<u>90</u>

*Note:* staff costs which were included in the trademark filing cost paid to CIPRUN Group (included in the selling and marketing expenses), amounted to RMB4,706,000 for the year ended 31 December 2024, RMB985,000 for the three months ended 31 March 2024, and RMB1,043,000 for the three months ended 31 March 2025.

## 8. DIVIDENDS

No dividend has been paid or declared by the Target Company or the companies now comprising the Target Group during the period from 9 February 2023 (date of establishment) to 31 December 2023, the year ended 31 December 2024 and the three months ended 31 March 2024 and 2025.

## 9. RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
Right-of-use assets			
– Land and building	<u>2,456</u>	<u>461</u>	<u>369</u>
	<u>2,456</u>	<u>461</u>	<u>369</u>

## APPENDIX II ACCOUNTANTS' REPORT OF THE PRC OPERATING COMPANY

The maturity analysis, based on undiscounted cash flows, of the PRC Operating Company's lease liabilities is as follows:

Less than 1 year	1,347	405	304
Between 1 and 2 years	1,451	–	–
	<u>2,798</u>	<u>405</u>	<u>304</u>
Depreciation charge of right-of-use assets			
– Land and building	1,039	381	92
	<u>162</u>	<u>35</u>	<u>6</u>
Lease interests			
	<u>1,008</u>	<u>588</u>	<u>89</u>
Total cash outflow for leases			
	<u>3,494</u>	<u>–</u>	<u>–</u>
Additions to right-of-use assets			

The PRC Operating Company leases a land and buildings. Lease agreement is typically made for fixed period of 3 years. Lease term is negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any covenants and the leased assets may not be used as security for borrowing purposes.

During the year ended 31 December 2024, the PRC Operating Company de-recognized certain right-of-use assets and lease liabilities due to a one-third reduction in area under the new tenancy agreement, which replaced the previous tenancy agreement as of 31 December 2023.

### 10. TRADE RECEIVABLES

	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
Trade receivables	<u>150</u>	<u>871</u>	<u>1,006</u>

The Target Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Target Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Target Group does not hold any collateral or other credit enhancements over the trade receivable balances. Trade receivables are non-interest-bearing.

#### (a) Aging analysis

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
Within 3 months	150	443	2,323
3 months to 6 months	–	219	349
6 months to one year	–	209	334
	<u>150</u>	<u>871</u>	<u>1,006</u>

**(b) Impairment of trade receivables**

The Target Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	<b>Current</b> <i>RMB'000</i>	<b>Less than 3 months past due</b> <i>RMB'000</i>	<b>3 to 6 months past due</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>At 31 December 2023</b>				
Trade receivables				
Weighted average expected loss rate	*	N/A	N/A	
Receivable amount	150	—	—	150
Loss allowance	—	—	—	—
<b>At 31 December 2024</b>				
Trade receivables				
Weighted average expected loss rate	*	*	*	
Receivable amount	443	219	209	871
Loss allowance	—	—	—	—
<b>At 31 March 2025</b>				
Trade receivables				
Weighted average expected loss rate	*	*	*	
Receivable amount	323	349	334	1,006
Loss allowance	—	—	—	—

\* Nearly zero.

**11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**

	<b>At 31 December 2023</b> <i>RMB'000</i>	<b>At 31 December 2024</b> <i>RMB'000</i>	<b>At 31 March 2025</b> <i>RMB'000</i>
Prepayments	1,552	106	104
Deposit	224	224	224
Other receivables ( <i>note</i> )	12,060	30,907	33,732
	<u>13,836</u>	<u>31,237</u>	<u>34,060</u>

*Note:* As of 31 December 2023, 31 December 2024 and 31 March 2025, the other receivables included amounts due from CIPRUN Group, approximately RMB10,638,000, RMB28,915,000 and RMB31,895,000, respectively. These amounts are unsecured, bear interest at a rate of 10% per annum, and do not have fixed repayment terms.

**12. CASH AND BANK BALANCES**

	<b>At 31 December 2023</b>	<b>At 31 December 2024</b>	<b>At 31 March 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks	1,534	5,900	7,570
	<u>1,534</u>	<u>5,900</u>	<u>7,570</u>

The cash and cash equivalents at each reporting date are denominated in RMB.

Certain of the Target Group's bank balances and deposits denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of fund out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

**13. TRADE PAYABLES**

	<b>At 31 December 2023</b>	<b>At 31 December 2024</b>	<b>At 31 March 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	449	727	832

An aging analysis of the trade payables as at each reporting date, based on the invoice date, is as follows:

	<b>At 31 December 2023</b>	<b>At 31 December 2024</b>	<b>At 31 March 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	449	727	832
	<u>449</u>	<u>727</u>	<u>832</u>

**14. OTHER PAYABLES, ACCRUALS AND CONTRACT LIABILITIES**

**(a) Other payable and accruals**

	<b>At 31 December 2023</b>	<b>At 31 December 2024</b>	<b>At 31 March 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salary and welfare payables	1,134	1,268	1,218
Other payables ( <i>note</i> )	2,378	3,795	2,175
	<u>3,512</u>	<u>5,063</u>	<u>3,393</u>

*Note:* As of 31 December 2023, 31 December 2024 and 31 March 2025, the other payables included amounts due to CIPRUN Group, approximately RMB2,122,000, RMB Nil and RMB Nil, respectively. These amounts are unsecured, bear interest at a rate of 10% per annum, and do not have fixed repayment terms.

## APPENDIX II ACCOUNTANTS' REPORT OF THE PRC OPERATING COMPANY

### (b) Contract liability

The following table shows the revenue recognized related to carried forward contract liabilities:

	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
Receipts in advance from customers	<u>10,558</u>	<u>21,807</u>	<u>25,999</u>

Due to the short-term nature of the related revenue, all the contract liabilities balance at the year/period end would be recognised into revenue in the next financial year. As permitted under HKFRS 15, the transaction price allocated to those unsatisfied contracts is not disclosed.

### 15. LEASE LIABILITIES

	Lease payments			Present value of lease payments		
	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
Within one year	1,347	405	304	1,235	392	296
In the second to fifth years, inclusive	<u>1,451</u>	<u>–</u>	<u>–</u>	<u>1,413</u>	<u>–</u>	<u>–</u>
	2,798	405	304			
Less: Future finance charges	<u>(150)</u>	<u>(13)</u>	<u>(8)</u>			
Present value of lease liabilities	<u>2,648</u>	<u>392</u>	<u>296</u>	<u>2,648</u>	<u>392</u>	<u>296</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)				<u>(1,235)</u>	<u>(392)</u>	<u>(296)</u>
Amount due for settlement after 12 months				<u>1,413</u>	<u>–</u>	<u>–</u>

At 31 December 2023, 31 December 2024 and 31 March 2025, the average effective borrowing rate was 5.7%. Interest rates are fixed at the contract dates and thus expose the Target Group to fair value interest rate risk.

### 16. SHARE CAPITAL

	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000	At 31 March 2025 RMB'000
<b>Issued and fully paid:</b>			
Paid-up capital	<u>–</u>	<u>–</u>	<u>–</u>

**17. REVERSES****Nature and purpose of reserves***Statutory reserve*

Pursuant to the relevant PRC rules and regulations, these PRC subsidiaries which are domestic enterprises in the PRC as mentioned in note to the Historical Financial Information are required to transfer no less than 10% of their profits after taxation, as determined under PRC accounting regulations, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before the distribution of a dividend to shareholders.

**18. FINANCIAL RISK MANAGEMENT**

The Target group's activities expose it to a variety of financial risks: credit risk, and liquidity risk. The Target group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the Board of Directors. The Target Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Target Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

**(a) Credit risk****(i) Risk management**

The credit risk of the Target Group mainly arises from trade receivables, deposits and other receivables and cash and cash equivalents.

Management considers that the Target Group has limited credit risk with its banks which are leading and reputable. The Target Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future. Therefore, expected credit loss rate of cash at bank is assessed to be immaterial and no provision was made as at 31 December 2023, 31 December 2024 and 31 March 2025.

The Target Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The majority of the Target Group's revenue is derived from individual customers in relation to agency services for trademarks, copyrights, and patents. As at 31 December 2023, 31 December 2024 and 31 March 2025, there was no significant concentration of credit risk, as the customer base is broad and highly diversified. No single customer accounted for a material portion of the trade receivables balance, and the overall trade receivables of the Target Group were relatively low in amount.

In view of the Target Group's business model and the history of dealings with its customers, management considers the credit risk to be limited. The Target Group performs regular assessments on the recoverability of trade and other receivables with reference to historical payment records, the length of overdue balances, the financial condition of debtors, macroeconomic conditions, and the existence of any disputes. Based on such assessments, and in light of the Group's past collection experience, the directors are of the opinion that adequate provision for expected credit losses has been made in these consolidated financial statements.

**(ii) Impairment of financial assets**

The Group has three main types of financial assets that are subject to the expected credit loss model:

- Trade receivables (Note 10);
- Cash and cash equivalents and pledged bank deposits (Note 12); and
- other financial assets measured at amortised costs (including deposits and other receivables).

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the directors consider that the identified impairment loss was immaterial.

**(b) Liquidity risk**

Individual operating entities within the Target Group are responsible for their own cash management, including the short-term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Target Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Target Group's financial liabilities is as follows:

	<b>Less than 1 year RMB'000</b>	<b>Between 1 to 2 years RMB'000</b>	<b>Total RMB'000</b>	<b>Carrying value RMB'000</b>
<b>At 31 December 2023</b>				
Trade payables	449	–	449	449
Other payables and accruals	3,427	–	3,427	3,427
Lease liabilities	1,347	1,451	2,798	2,648
	<u>5,223</u>	<u>1,451</u>	<u>6,674</u>	<u>6,524</u>
	<b>Less than 1 year RMB'000</b>	<b>Between 1 to 2 years RMB'000</b>	<b>Total RMB'000</b>	<b>Carrying value RMB'000</b>
<b>At 31 December 2024</b>				
Trade payables	727	–	727	727
Other payables and accruals	5,063	–	5,063	5,063
Lease liabilities	405	–	405	392
	<u>6,195</u>	<u>–</u>	<u>6,195</u>	<u>6,182</u>



	Less than 1 year <i>RMB'000</i>	Between 1 to 2 years <i>RMB'000</i>	Total <i>RMB'000</i>	Carrying value <i>RMB'000</i>
<b>At 31 March 2025</b>				
Trade payables	832	–	832	832
Other payables and accruals	3,393	–	3,393	3,393
Lease liabilities	304	–	304	296
	<u>4,529</u>	<u>–</u>	<u>4,529</u>	<u>4,521</u>

**(c) Categories of financial instruments**

	At 31 December 2023 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>	At 31 March 2025 <i>RMB'000</i>
<i>Financial assets</i>			
Financial assets at amortised cost			
– Trade receivables	150	871	1,052
– Financial assets included in other receivables and other assets	12,284	31,131	33,956
– Cash and bank balances	<u>1,534</u>	<u>5,900</u>	<u>7,571</u>
	<u>13,968</u>	<u>37,902</u>	<u>42,579</u>
<i>Financial liabilities</i>			
Financial liabilities at amortised cost			
– Trade payables	449	727	832
– Financial liabilities included in other payables and accruals	3,427	5,063	3,393
Lease liability	<u>2,648</u>	<u>392</u>	<u>296</u>
	<u>6,524</u>	<u>6,182</u>	<u>4,521</u>

**(d) Fair values**

The carrying amounts of the Target Group's financial assets and financial liabilities as reflected in the combined statements of financial position approximate their respective fair values.

**19. NOTES TO THE COMBINED STATEMENT OF CASH FLOWS**

	<b>Lease liabilities</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
At 9 February 2023 (date of establishment)	–	–
Changes in cash flows	(1,008)	(1,008)
Non-cash changes		
– addition	3,494	3,494
– interest charged	162	162
	<u>2,648</u>	<u>2,648</u>
At 31 December 2023 and 1 January 2024		
Changes in cash flows	(588)	(403)
Non-cash changes		
– modification of lease	(1,703)	(1,703)
– interest charged	35	35
	<u>392</u>	<u>392</u>
At 31 December 2024 and 1 January 2025		
Changes in cash flows	(206)	(206)
Non-cash changes		
– addition	11	11
– interest charged	296	296
	<u>493</u>	<u>493</u>
– At 31 March 2025	<u>493</u>	<u>493</u>

**20. RELATED PARTY TRANSACTIONS**

For the purposes of the Historical Financial Information, parties are considered to be related to the Target Group if the parties have the ability, directly or indirectly, to exercise significant influence over the Target Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or entities and include entities which are under the significant influence of related parties of the Target Group where those parties are individuals.

**(a) Names and relationships with related parties**

<b>Name of related parties</b>	<b>Relationship</b>
Ciprun Network Technology (Jiangsu) Co., Ltd	Controlled by the Target Company's ultimate controlling shareholder
Suzhou Ciprun Intellectual Property Operation Co., Ltd	Controlled by the Target Company's ultimate controlling shareholder
Ciprun Group Co., Ltd	Immediate parent company of the Target Company
Luoyang Branch of Suzhou Ciprun Intellectual Property Operation Co., Ltd	Controlled by the Target Company's ultimate controlling shareholder

In addition to the transactions detailed elsewhere in Historical Financial Information, the Target Group had the following transactions with related parties during the Track Record Period:

**(b) Transactions with related parties**

	For the period from 9 February 2023 (date of establishment) to 31 December 2023 <i>RMB'000</i>	For the year ended 31 December 2024 <i>RMB'000</i>	For the three months ended 31 March 2024 <i>RMB'000</i> <i>(Unaudited)</i>	For the three months ended 31 March 2025 <i>RMB'000</i>
Interest income from CIPRUN Group	144	1,423	172	498
Trademark filing cost and administrative reimbursement paid to CIPRUN Group	2,169	5,171	1,070	1,186

**21. CONTINGENT LIABILITIES**

As at each reporting date, the Target Group had no significant contingent liabilities.

**22. EVENTS AFTER THE REPORTING PERIOD**

There are no significant subsequent events subsequent to 31 March 2025.

**23. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Target Company or any of its subsidiaries in respect of any period subsequent to 31 March 2025.

*Set forth below is the management discussion and analysis of the Target Company for the period from the date of incorporation up to 31 December 2023, the year ended 31 December 2024 and the three months period ended 31 March 2025 (collectively, the “Reporting Period”) based on the financial information on the PRC Operating Company set out in Appendix II to this circular.*

## BUSINESS OVERVIEW

The PRC Operating Company is a limited company established in the PRC on 9 February 2023. As at the Latest Practicable Date, it holds the Licence and principally operates the Business through its website/online platform which covers (i) patent agency services covered by the Licence; (ii) trademark and copyright agency services, including trademark and/or copyright application preparation, filing, IP management and maintenance; and (iii) other IP related services. From a customer’s perspective, the comprehensive IP-related services offered under the online platform are available through one-off purchases. The PRC Operating Company has over 50 staff with more than one-third of them possessing the relevant qualification in IP agency.

Set out below are the types of service/product offering:

- (1) As an intermediary, the online platform facilitates the buying and selling of IP assets, including patents, trademarks, and copyrights, allowing sellers to list their IP for sale while enabling buyers to browse and purchase desired assets. Revenue for this service consists of an agency fee of approximately RMB1,313,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB7,696,000 for the year ended 31 December 2024, and approximately RMB1,869,000 for the three months ended 31 March 2025.

As the PRC Operating Company acts as an agent in these transactions, revenue is recognized on a net basis upon receipt of notification of official authorization. Accordingly, no gross profit is separately presented for this segment.

- (2) The online platform, serving as an intermediary, provides IP rights authentication services for trademarks, patents and copyrights. After authentication of IP rights, the online platform provides management services that include changes, renewals, licensing, disputes, assessments, and responses to invalidation applications. Revenue for management services is charged at approximately RMB6,838,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB18,623,000 for the year ended 31 December 2024, and approximately RMB3,406,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 41%, 43% and 29%, respectively. Revenue for this service is recognised upon delivery of documentation to the relevant authority. The gross profit margin for each customer is determined individually by management,

based on estimated costs to be incurred. The patent agency practice license\* (專利代理機構執業許可證) is required for patent-related services, while no license is needed for other IP types, such as trademarks.

- (3) Utilising technologies such as big data analytics, artificial intelligence, etc., the online platform offers robust IP protection services that combat infringement through analysis and monitoring by employing the aforementioned technologies to detect unauthorised use of IP and provide legal support to uphold rights holders' claims by acting as their agents in rights protection, litigation, anti-counterfeiting actions, etc. Revenue for these services is charged at approximately RMB98,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB226,000 for the year ended 31 December 2024, and approximately RMB86,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 53%, 82% and 83%, respectively. Revenue for this service is recognised upon completion of provision of the relevant services. The gross profit margin for each customer is determined individually by management, based on estimated costs to be incurred. The patent agency practice license\* (專利代理機構執業許可證) is required for patent-related services, while no license is needed for other IP types, such as trademarks, and if such services involve litigation, appropriately licensed legal professionals from a third party will be engaged to provide the necessary legal services.
- (4) The online platform is dedicated to empowering users with knowledge through strategic IP consultation services. It offers insights and analysis on the client's position and competitive edge of their IP portfolios compared to industry peers. The platform is equipped to devise both short term and long term strategies for client's IP assets, such as aggressive applications for new patents to occupy higher technological grounds or a defensive strategy by way of building a patent pool to inhibit encroachment of IP rights. Revenue for consultation services is charged at approximately RMB218,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB658,000 for the year ended 31 December 2024, and approximately RMB499,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 54%, 67% and 68%, respectively. Revenue for this service is recognised upon completion of the delivery of the consultation services. The gross profit margin for each customer is determined individually by management, based on estimated costs to be incurred.
- (5) The online platform supports IP holders with financing options by offering IP pledge financing services and intermediary service in arranging bank financing, enabling them to leverage their patents and trademarks for capital. In addition, insurance on IP assets is also offered. Revenue from IP pledge financing services will be charged with a gross profit margin ranging from 50% to 70% and recognised upon completion of delivery of the relevant service. The gross profit margin for each

customer will be determined individually by management, based on estimated costs to be incurred. This service will be provided in collaboration with third party(ies) that holds the necessary license.

- (6) The online platform offers valuation service for IP and digital IP to assess the market value of users' IP assets through identification and grading of such assets, providing critical information that can guide transactions and financing decisions. Revenue from valuation services is charged at approximately RMB218,000 for the period from 9 February 2023 to 31 December 2023, approximately RMB1,668,000 for the year ended 31 December 2024, and approximately RMB662,000 for the three months ended 31 March 2025, with an average gross profit margin of approximately 54%, 58% and 61%, respectively. Revenue for this service is recognised upon issuance of the relevant report. The gross profit margin for each customer is determined individually by management, based on estimated costs to be incurred. This service is provided in collaboration with third-party professional appraisal companies that hold the necessary licenses.

Immediately prior to Completion, the Target Company was wholly-owned by the Vendor. Upon Completion, the Target Company shall become an indirect wholly-owned subsidiary of the Company.

## FINANCIAL REVIEW

### (a) Financial performance

#### *Revenue*

For the period from the date of incorporation up to 31 December 2023 (“FY2023”), , the revenue of the PRC Operating Company was approximately RMB8.7 million.

For FY2023 and the year ended 31 December 2024 (“FY2024”), the revenue increased from approximately RMB8.7 million for FY2023 to RMB28.9 million for FY2024, representing an increase of approximately RMB20.2 million or 232.2%. Such increase was mainly attributable to (i) the commencement of operations by the PRC Operating Company in June 2023, which resulted in significant revenue growth as the business expanded, considering there were only five months of active operations in 2023 compared to a full year in 2024; and (ii) the timeframe required for contract signing and revenue recognition.

For the three months ended 31 March 2024 and 2025 (“3M2024” and “3M2025” respectively), the revenue increased from approximately RMB4.8 million for 3M2024 to approximately RMB6.5 million for 3M2025, representing an increase of approximately RMB1.7 million or 35.4%. Such increase was primarily driven by the continued strengthening of the Group's brand presence, as well as organic market growth during the period resulting in an increase in the number of customers.

***Cost of Revenue***

For FY2023, the cost of revenue of the PRC Operating Company was approximately RMB5.0 million.

The cost of revenue of the PRC Operating Company increased from approximately RMB5.0 million for FY2023 to approximately RMB11.0 million for FY2024, representing an increase of approximately RMB6.0 million or 120.0%. Such increase was mainly attributable to the increase in revenue as discussed above.

The cost of revenue of the PRC Operating Company increased from approximately RMB2.4 million for 3M2024 to approximately RMB2.9 million for 3M2025, representing an increase of approximately RMB6.0 million or 20.8%. Such increase was mainly attributable to the increase in revenue as discussed above.

***Gross Profit***

For FY2023, the gross profit of the PRC Operating Company was approximately RMB3.7 million.

The gross profit of the PRC Operating Company increased from approximately RMB3.7 million for FY2023 to approximately RMB17.9 million for FY2024, representing an increase of approximately RMB14.2 million or 383.8%. Such increase was mainly attributable to (i) the increase in revenue as discussed above; and (ii) certain costs are fixed in nature, such as the labour cost.

The gross profit of the PRC Operating Company increased from approximately RMB2.5 million for 3M2024 to approximately RMB3.6 million for 3M2025, representing an increase of approximately RMB1.1 million or 44.0%. Such increase was mainly attributable to (i) the increase in revenue as discussed above; and (ii) certain costs are fixed in nature, such as the labour cost.

***Other Income and Gains, Net***

For FY2023, the other income and gains of the PRC Operating Company was approximately RMB230,000.

The other income and gains of the PRC Operating Company increased from approximately RMB230,000 for FY2023 to approximately RMB1.5 million for FY2024, representing an increase of approximately RMB1.2 million or more than 5 times. Such increase was mainly attributable to the increase in other interest income of approximately RMB1.3 million resulting from amounts due from related parties.

The other income and gains of the PRC Operating Company increased from approximately RMB283,000 for 3M2024 to approximately RMB507,000 for 3M2025, representing an increase of approximately RMB224,000 or 79.2%. Such increase was mainly attributable to the increase in other interest income of approximately RMB0.3 million resulting from amounts due from related parties.

#### ***Selling and Marketing Expenses***

For FY2023, the selling and marketing expenses of the PRC Operating Company was approximately RMB1.8 million.

The selling and marketing expenses of the PRC Operating Company increased from approximately RMB1.8 million for FY2023 to approximately RMB5.1 million for FY2024, representing an increase of approximately RMB3.3 million or 183.3%. Such increase was mainly attributable to heightened marketing efforts for customer acquisition, which contributed to the significant increase in revenue.

The selling and marketing expenses of the PRC Operating Company increased from approximately RMB1.0 million for 3M2024 to approximately RMB1.2 million for 3M2025, representing an increase of approximately RMB0.2 million or 20.0%. Such increase was mainly attributable to heightened marketing efforts for customer acquisition, which contributed to the significant increase in revenue.

#### ***Administrative Expenses***

For FY2023, the administrative expenses of the PRC Operating Company was approximately RMB1.1 million.

The administrative expenses of the PRC Operating Company increased from approximately RMB1.1 million for FY2023 to approximately RMB1.3 million for FY2024, representing an increase of approximately RMB0.2 million or 18.2%. Such increase was mainly attributable to (i) only five months of active operations in 2023 compared to a full year in FY2024, and (ii) the gradual rise in administrative expenses as the PRC Operating Company has operated for a longer period.

The administrative expenses of the PRC Operating Company increased from approximately RMB256,000 for 3M2024 to approximately RMB273,000 for 3M2025, representing a slight increase of approximately RMB17,000 or 6.6%.



***Profit***

As a result of the above factors, (i) for FY2023 and FY2024, the profit of the PRC Operating Company was approximately RMB0.8 million and RMB9.7 million, respectively; (ii) for 3M2024 and 3M2025, the profit of the PRC Operating Company was approximately RMB1.1 million and RMB2.0 million respectively.

**(b) Liquidity and financial resources**

As at 31 December 2023 and 31 December 2024, the net assets of the PRC Operating Company amounted to RMB0.8 million and RMB10.5 million, respectively, representing an increase of approximately RMB9.7 million or over 10 times. Such increase was mainly attributable to increase in retained earnings resulting from the increase in net profits.

As at 31 March 2025, the net assets of the PRC Operating Company amounted to RMB12.5 million, representing an increase of approximately RMB2.0 million or approximately 19.0%. Such increase was mainly attributable to increase in retained earnings resulting from the increase in net profits.

As at 31 December 2023, 31 December 2024 and 31 March 2025, the PRC Operating Company had no borrowing.

**(c) Cash and Bank Balance**

As at 31 December 2023 and 31 December 2024, the cash and bank balance of the PRC Operating Company was approximately RMB1.5 million and RMB5.9 million, respectively. The cash and bank balance of the PRC Operating Company further increased to approximately RMB7.6 million as at 31 March 2025. The cash and bank balance is denominated in RMB.

**(d) Gearing ratio**

The gearing ratios of the PRC Operating Company as at 31 December 2023, 31 December 2024 and 31 March 2025, which represents the ratio of interest bearing borrowings to the total equity, were nil as the PRC Operating Company had no bank borrowings.

**(e) Contingent liabilities**

The PRC Operating Company did not have any contingent liabilities as at 31 December 2023, 31 December 2024 and 31 March 2025, respectively.

**(f) Financial risk management**

For FY2023, FY2024 and 3M2025, the PRC Operating Company was mainly exposed to credit and liquidity risks arising in the normal course of business.

During the reporting period, as the majority of business transactions, assets and liabilities of the PRC Operating Company are denominated in RMB, it has no significant exposure to foreign currency risk. Accordingly, during the reporting period, the PRC Operating Company did not have any formal hedging policies and no financial instrument was used for hedging purposes.

**(g) Funding and treasury policy**

The PRC Operating Company has adopted a prudent financial management approach towards its treasury policy. The PRC Operating Company closely monitored its liquidity position to ensure that the liquidity structure of its assets, liabilities, and other commitments can meet its funding requirements.

**(h) Significant investment**

The PRC Operating Company did not have any significant investments for FY2023, FY2024 and 3M2025.

**(i) Charge of assets**

As at 31 December 2023, 31 December 2024 and 31 March 2025, there was no charges of assets of the PRC Operating Company.

**(j) Employees and remuneration policy**

The PRC Operating Company had 39, 49 and 49 employees as at 31 December 2023, 31 December 2024 and 31 March 2025, respectively. The PRC Operating Company periodically evaluates the performance of its employees and provides them with training to enhance performance.

Employees of the PRC Operating Company in the PRC are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurance, medical insurance, unemployment benefit and housing fund plans through a PRC government-mandated multi-employer defined contribution plan. The PRC Operating Company is required to accrue for its contribution based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government.

The PRC Operating Company is required to make contributions to the plans out of the amount accrued. The PRC government is responsible for medical benefits and the pension liability to be paid to these employees and the PRC Operating Company's obligations are limited to the amounts contributed and no legal obligation beyond the contributions made.

**(k) Future plans and Prospects**

As at the Latest Practicable Date, the PRC Operating Company did not plan to launch new business or make material investments or capital assets.

**A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP****(1) Introduction to the Unaudited Pro Forma Financial Information of the Enlarged Group**

The accompanying unaudited pro forma consolidated statement of assets and liabilities (the **“Unaudited Pro Forma Financial Information”**) of the Enlarged Group has been prepared by the directors of the Company (the **“Directors”**) in accordance with paragraph 31 of Chapter 7 of the Listing Rules. This statement illustrates the effects of the proposed acquisition of 100% of the issued shares in Newsbaba LTD and its subsidiaries (collectively referred to as the **“Target Group”**) (the **“Acquisition”**) on the historical consolidated statement of assets and liabilities of the Group, presenting the financial position as if the Acquisition had been completed on 31 December 2024.

The unaudited pro forma statement of assets and liabilities has been prepared using two primary sources: the Group’s audited consolidated statement of financial position as at 31 December 2024, extracted from its published annual report for the year ending on that date; and the audited statement of financial position of the Beijing Newsbaba Intellectual Property Agency Co., Ltd.\* (北京牛思巴巴知識產權代理有限公司) (the **“PRC Operating Company”**) as at 31 March 2025, taken from the accountants’ report included in Appendix II to this Circular. The pro forma adjustments related to the Acquisition, which are detailed in the accompanying notes, meet three key criteria: they are clearly presented and explained, directly attributable to the Acquisition rather than future events or decisions, and supported by factual evidence. These adjustments reflect the financial position as if the Acquisition had occurred on 31 December 2024.

This Unaudited Pro Forma Financial Information represents the Directors’ assessment based on current information, incorporating various assumptions and estimates to demonstrate the Enlarged Group’s potential financial position following the Acquisition’s completion. It is important to note that this hypothetical presentation serves illustrative purposes only and may not accurately reflect what the actual financial position would have been had the Acquisition taken place on the specified dates. Furthermore, this information should not be interpreted as predicting the Enlarged Group’s future financial position after the Acquisition.

Prepared in compliance with paragraph 29 of Chapter 4 of the Listing Rules, this Unaudited Pro Forma Financial Information should be considered alongside the Group’s financial information in Appendix I, the PRC Operating Company’s accountants’ report in Appendix II, and other relevant financial disclosures contained elsewhere in this Circular for a complete understanding.

\* For identification purpose only

## (2) Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group

	The Group at 31 December 2024 RMB'000 (Note 1)	The PRC Operating Company at 31 March 2025 RMB'000 (Note 2)	Total RMB'000	Pro forma adjustments RMB'000	Notes	Pro forma Enlarged Group RMB'000
<b>Non-current assets</b>						
Property, plant and equipment	6,964	–	6,964			6,964
Right-of-use assets	1,584	369	1,953			1,953
Loan receivables	523	–	523			523
Goodwill	77,885	–	77,885	136,157	3	214,042
	<u>86,956</u>	<u>369</u>	<u>87,325</u>			<u>223,482</u>
<b>Current assets</b>						
Inventories	79	–	79			79
Trade receivables	50,287	1,006	51,293			51,293
Loan receivables	209,219	–	209,219			209,219
Other receivables, deposits and prepayments	20,909	34,060	54,969			54,969
Bank balances and cash	26,494	7,570	34,064			34,064
	<u>306,988</u>	<u>42,636</u>	<u>349,624</u>			<u>349,624</u>
<b>Current liabilities</b>						
Trade payables	68,063	832	68,895			68,895
Contract liabilities	–	25,999	25,999			25,999
Other payables and accruals	30,813	3,393	34,206			34,206
Borrowings	18,866	–	18,866			18,866
Promissory notes	2,984	–	2,984			2,984
Lease liabilities	1,381	296	1,677			1,677
Tax liabilities	4,397	–	4,397			4,397
Contingent consideration	–	–	–	37,037	3	37,037
	<u>126,504</u>	<u>30,520</u>	<u>157,024</u>			<u>194,061</u>
<b>Net current assets</b>	<u>180,484</u>	<u>12,116</u>	<u>192,600</u>			<u>155,563</u>
<b>Total assets less current liabilities</b>	<u>267,440</u>	<u>12,485</u>	<u>279,925</u>			<u>379,045</u>
<b>Non-current liabilities</b>						
Lease liabilities	239	–	239			239
Promissory notes	185,376	–	185,376			185,376
	<u>185,615</u>	<u>–</u>	<u>185,615</u>			<u>185,615</u>
<b>Net assets</b>	<u>81,825</u>	<u>12,485</u>	<u>94,310</u>			<u>193,430</u>

**(3) Notes to the Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group**

1. The audited consolidated statement of assets and liabilities of the Group as at 31 December 2024 extracted, without adjustments, from the published annual report of the Company for the year ended 31 December 2024.
2. The audited consolidated statement of assets and liabilities of the PRC Operating Company as at 31 March 2025 is extracted from the accountants' report on the PRC Operating Company as set out in Appendix II to the Circular.
3. This adjustment reflects the effect of the Acquisition on the consolidated assets and liabilities of the Enlarged Group, as if the Acquisition had been completed on 31 December 2024, taking into account of the following assumptions:
  - (i) For the purpose of preparing the Unaudited Pro Forma Financial Information, the pro forma adjustment has reflected the maximum possible amount of the total consideration of HK\$160,533,400 (equivalent to approximately RMB148,642,000, comprising: (1) HK\$120,533,400 (equivalent to approximately RMB111,605,000) to be settled through issuance of 1,205,334,000 ordinary shares at HK\$0.1 per share upon Acquisition completion; and (2) HK\$40,000,000 (equivalent to approximately RMB37,037,000) representing the price adjustment under earn-out provisions of the sales and purchase agreement, to be settled via issuance of 400,000,000 ordinary shares at HK\$0.1 per share contingent upon the Target Group achieving audited net profit after tax of at least RMB15,000,000 for the financial year ending 31 December 2025 (the “**Earn-out Condition**”), with this contingent amount recorded as a liability.

Pursuant to the agreement, the total consideration includes an initial component of 1,205,334,000 ordinary shares (which is HK\$120,533,400) and a price adjustment not exceeding HK\$40,000,000 subject to the Earn-out Condition. Should the Target Group meet the RMB15,000,000 profit threshold, the consideration will increase by HK\$40,000,000 through issuance of 400,000,000 additional shares. The actual total consideration remains subject to agreement-specified adjustments and may consequently differ from the amount used in the Unaudited Pro Forma Financial Information preparation, with full details provided in the “Letter from the Board” section.

- (ii) The estimated amount of transaction costs incurred in connection with the Acquisition, such as legal, valuation and other professional fees is not expected to be material and therefore has not been accounted for in the adjustment for the purpose of preparing the Unaudited Pro Forma Financial Information.

4. The identifiable assets and liabilities of the PRC Operating Company acquired by the Group will be recorded in the Unaudited Pro Forma Financial Information of the Enlarged Group at their fair values, applying acquisition accounting in accordance with HKFRS Accounting Standard 3 *Business Combinations* (“**HKFRS 3**”). For purposes of preparing the Unaudited Pro Forma Financial Information, the purchase price allocation has been determined based on the Directors’ estimates of the fair values of the identifiable assets and liabilities of the PRC Operating Company as at 31 March 2025, calculated as follows:

	<i>RMB’000</i>
Consideration so determined per note 3 above	148,642
Fair values of the identifiable tangible net liabilities of the PRC Operating Company as at 31 March 2025	12,485
Goodwill	136,157

*Note:* The actual goodwill or gain on a bargain purchase resulting from the acquisition will be determined based on the fair values of the Target Group’s identifiable tangible and intangible assets and liabilities, as well as the aggregate fair value of the total consideration at the completion date. Since the fair values assessed at completion may differ from current estimates, the final financial impact could vary materially from the amounts presented.

The amount of goodwill recognised at the acquisition date may also change if the fair values of the Target Group’s assets and liabilities deviate from preliminary assessments. If the recoverable amount of the Target Group (the cash-generating units to which goodwill will be allocated) falls below its carrying amount at completion, the associated goodwill will be impaired. Conversely, if the fair value of the Target Group’s net identifiable assets exceeds the fair value of the total consideration transferred, a gain on a bargain purchase will be recognised.

In accordance with the Group’s accounting policy, goodwill is initially recognised at cost and subsequently measured at cost less accumulated impairment losses. The Group performs annual impairment tests (or more frequently if triggering events occur) by comparing the recoverable amount of the relevant cash-generating units with their carrying amounts. If the recoverable amount is lower, an impairment loss is recognised, first by reducing the carrying amount of allocated goodwill.

From the completion date, goodwill is allocated to the cash-generating units expected to benefit from acquisition synergies, irrespective of whether other assets or liabilities are assigned to those units.

For the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2024, the management of the Group has conducted an impairment assessment in accordance with Hong Kong Accounting Standard 36 *Impairment of Assets* (“**HKAS 36**”). This assessment evaluates whether the carrying amount of goodwill plus the Target Group’s net identifiable assets exceed the recoverable amount of its underlying business. The Directors are of the view that, after performing the impairment assessment, there are no indications of impairment related to the goodwill arising from the Acquisition as set out in the Unaudited Pro Forma Financial Information section.

The Company will perform discounted cash flow valuations upon completion of the Acquisition based on HKFRS 3 and at subsequent reporting dates based on HKAS 36 for goodwill impairment testing. The auditor will review these valuations and impairment tests during the upcoming audit, applying the same HKAS 36 methodology. Barring unforeseen circumstances, the auditor will use the same impairment indicators as those applied in the Unaudited Pro Forma Financial Information.

5. Apart from the above, no other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions entered into by the Enlarged Group subsequent to 31 December 2024.



**B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of the independent reporting accountants' assurance report received from Confucius International CPA Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Enlarged Group prepared for the purpose of incorporation in this Circular.*

**天健國際會計師事務所有限公司**

Confucius International CPA Limited

Certified Public Accountants

香港灣仔莊士敦道181號大有大廈1501-08室  
Rooms 1501-08, 15th Floor, Tai Yau Building,  
181 Johnston Road, Wanchai, Hong Kong  
電話 Tel: (852) 3103 6980  
傳真 Fax: (852) 3104 0170

**The Board of Directors****Cybernaut International Holdings Company Limited**

Unit 1002, Capital Centre,  
151 Gloucester Road,  
Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Cybernaut International Holdings Company Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma statement of assets and liabilities as at 31 December 2024 (the “**Statement**”) as set out on pages IV-1 to IV-5 of the investment circular issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix IV of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed acquisition of the 100% interest in Newsbaba LTD (the “**Acquisition**”) on the Group’s financial position as at 31 March 2025 as if the transaction had been taken place at 31 December 2024. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s audited consolidated statement of financial position of the Group as at 31 December 2024 as set out in the published annual report of the Company for the year ended 31 December 2024. Information about Beijing Niu Si Baba Intellectual Property Agency Co., Ltd.\* (北京牛思巴巴知識產權代理有限公司) (the “**PRC Operating Company**”)’s financial position has been extracted by the Directors from the audited financial information of the PRC Operating Company as at 31 March 2025 as set out in its accountants’ report included in Appendix II to the Circular.

\* For identification purpose only

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (“**HKSQM**”) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition had been undertaken at an earlier date selected for purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Acquisition, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Acquisition in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Confucius International CPA Limited**

*Certified Public Accountants*

**Chan Lap Chi**

*Practising Certificate Number: P04084*

Hong Kong, 20 August 2025

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under provisions of the SFO, and including the Target Group), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the “**Model Code**”) were as follows:

### Long positions in the shares and the underlying shares of the Company

Name	Capacity/Nature of interest	Number of Shares	Percentage of the total issued share capital of the Company (approximately)
Mr. Zhu Min ( <i>Note</i> )	Interest in a controlled corporation	634,284,000	15.54%
	Beneficial owner	356,000,000	8.72%

*Note:* Mr. Zhu Min owns 356,000,000 Shares in his own name and 634,284,000 through Cybernaut International Limited, a company of which he is the sole shareholder.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under provisions of the SFO, and including the Target Group), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, none of the Directors or a proposed Director is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **3. DIRECTORS' COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates had any interest in a business which either directly or indirectly competes or may compete with the business of the Group, or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Enlarged Group which does not expire or is not determinable by such member of the Enlarged Group within one year without payment of compensation (other than statutory compensation).

### **5. DIRECTORS' INTEREST IN CONTRACTS, ARRANGEMENTS AND ASSETS**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Enlarged Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

## 6. EXPERTS' QUALIFICATIONS AND CONSENTS

The followings are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualification
Confucius International CPA Limited	Certified Public Accountants
Beijing Xinghua Caplegend CPA Limited	Certified Public Accountants
Join & High Law Office	PRC Legal Advisers

The above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their letters, reports or opinion (as the case may be) and references to their name and logo in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts:

- (a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and
- (b) did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 31 December 2024), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 7. LITIGATION

As at the Latest Practicable Date, save as to the ongoing litigation between VT Zero Limited (a wholly-owned subsidiary of the Company, “**VT Zero**”) and AHS Device Hong Kong Limited, a supplier of refurbished and second-hand mobile phones to VT Zero, the details of which is disclosed in page 298 of the annual report of the Group for the year ended 31 December 2024 published by the Company on 20 June 2025, no member of the Enlarged Group was engaged in any litigation or arbitration proceedings of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Enlarged Group.

**8. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Enlarged Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date, which are or may be material:

- (a) the conditional subscription agreement dated 30 September 2024 entered into between the Company and China Solar Energy Group (HK) Limited in relation to the subscription of 200,000,000 Shares at a subscription price of HK\$0.10 per Share;
- (b) each of the VIE Agreements; and
- (c) the Sale and Purchase Agreement.

Save as disclosed above, no material contract (not being a contract entered into in the ordinary course of business) has been entered into by any member of the Enlarged Group within the two years immediately preceding the issue of this circular.

**9. GENERAL**

- (a) The company secretary of the Company is Mr. Cheung Wing Lok. Mr. Cheung Wing Lok is a member of The Hong Kong Institute of Certified Public Accountants and CPA Australia.
- (b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The head office and principal place of business in Hong Kong of the Company is at Unit 1002, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong.
- (d) The address of the Company's branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language translation.

**10. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the respective website of the Company ([www.cybernaut.com.hk](http://www.cybernaut.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for a period of 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;



- (b) a copy of each of the material contracts (save for the Sale and Purchase Agreement) referred to in the paragraph headed “8. Material Contracts” in Appendix V to this circular;
- (c) the accountant’s report of the PRC Operating Company for the period ended 31 December 2023, year ended 31 December 2024 and the three months ended 31 March 2025, the text of which is set out in Appendix II to this circular;
- (d) the report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix IV to this circular;
- (e) the PRC legal opinion from the PRC Legal Advisers;
- (f) the consent letters referred to in the paragraph headed “Qualifications and Consents of Experts” in this appendix; and
- (g) this circular.

---

## NOTICE OF THE EGM

---



賽伯樂國際控股

**CYBERNAUT INTERNATIONAL HOLDINGS COMPANY LIMITED**

賽伯樂國際控股有限公司

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

**(Stock Code: 1020)**

### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “**EGM**”) of Cybernaut International Holdings Company Limited (“**Company**”, together with its subsidiaries, the “**Group**”) will be held at Unit 1002, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong, on Friday, 5 September 2025 at 11:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. “**THAT** subject to the passing of ordinary resolution numbered 2 herein:
  - a. the sale and purchase agreement dated 9 February 2025 (as supplemented by the supplemental sale and purchase agreement dated 31 July 2025) (the “**Sale and Purchase Agreement**”) and entered into among the Company, Cybernaut Technology Development Limited (the “**Purchaser**”) and CIPRUN.LTD (the “**Seller**”) (copy of the Sale and Purchase Agreement is tabled at the meeting and marked “A” and signed by the chairman of the meeting for identification purpose) pursuant to which, among others, the Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell, 100% of the issued shares in Newsbaba LTD (the “**Target Company**”) (the “**Acquisition**”), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - b. any one director of the Company (the “**Director(s)**”) be and is hereby authorised to, on behalf of the Company, do all such acts and sign, seal, execute and deliver all such documents and take all such actions as he may consider necessary or desirable for the purpose of or in connection with or to give effect to the Sale and Purchase Agreement and the transactions contemplated thereunder;”

---

## NOTICE OF THE EGM

---

2. “**THAT** subject to the passing of ordinary resolution numbered 1 herein and the Listing Committee of The Stock Exchange of Hong Kong Limited having granted the listing of, and permission to deal in the Consideration Shares (as defined below), the Directors be and are hereby granted a specific mandate (the “**Specific Mandate**”) which shall entitle the Directors to exercise all the powers of the Company to allot and issue up to 1,605,334,000 new ordinary shares of the Company (the “**Consideration Shares**”) at an issue price of not lower than HK\$0.10 per Consideration Share to the Seller as part of the consideration for the Acquisition subject to the terms and conditions of the Sale and Purchase Agreement, where such Consideration Shares shall rank pari passu in all respects with the other ordinary shares of the Company in issue or to be issued by the Company on or prior to the date of allotment of the Consideration Shares, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke, any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution.”

Yours faithfully,  
For and on behalf of the Board  
**Cybernaut International Holdings  
Company Limited**  
**Mr. Zhu Min**  
*Chairman*

Hong Kong, 20 August 2025

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place of Business in Hong Kong:*

Unit 1002, Capital Centre  
151 Gloucester Road  
Wanchai, Hong Kong

*Principal Place of Business in the PRC:*

Room 801, 8/F, Xinghua Mansion Block B,  
No. 2018 Middle Shennan Road,  
Fuqiang Community, Huaqiangbei Street,  
Futian District,  
Shenzhen, the PRC

---

## NOTICE OF THE EGM

---

*Notes:*

1. A member of the Company (the “**Member**” or “**Shareholder**”) entitled to attend, speak and vote at the EGM (or at any adjournment thereof) convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Articles, vote in his/her/its stead. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the above meeting. A proxy needs not be a Member but must be present in person at the EGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.
2. Completion and return of the form of proxy will not preclude a Member from attending, speaking and voting in person at the EGM if he/she/it so wishes. In the event of a Member who has lodged a form of proxy attending the EGM in person, the form of proxy will be deemed to have been revoked.
3. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the Company’s branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time of the above meeting or any adjourned meeting.
4. For the purposes of determining shareholders’ eligibility to attend and vote at the EGM, the register of members of the Company will be closed.

Details of such closure are set out below:

Latest time for lodging transfer of shares to qualify  
for attendance and voting at the EGM . . . . . 4:30 p.m. on Monday,  
1 September 2025

Closure of register of members of the Company . . . . . Tuesday, 2 September 2025  
to Friday, 5 September 2025  
(both dates inclusive)

Record date . . . . . Friday, 5 September 2025

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the EGM, all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the aforementioned latest times.

5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The Company reminds all shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the Meeting in person, by completing and return the form of proxy.
7. If any shareholder chooses not to attend the EGM in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the head office and principal place of business in Hong Kong of the Company. If any shareholder has any question relating to the EGM, please contact Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar as follows:

17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

---

## NOTICE OF THE EGM

---

8. If tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons or a black rainstorm warning signal is in force at 9:00 a.m. on Friday, 5 September 2025, the EGM will be postponed and further announcement for details of alternative meeting arrangements will be made. The EGM will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the EGM under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
9. References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, the executive Directors are Mr. Zhu Min and Ms. Yip Sum Yu and the independent non-executive Directors are Mr. Li Yik Sang, Mr. Cao Ke and Mr. Lee Kam Wing, Victor.*