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Easou Technology Holdings Limited
宜搜科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2550)

**(1) DISCLOSEABLE TRANSACTION REGARDING
THE ACQUISITION OF 100% SHARES OF
YINGKE INTERNET (HONG KONG) LIMITED; AND
(2) SHARE TRANSACTION REGARDING THE ACQUISITION
OF 100% SHARES OF YUNLANG TECHNOLOGY (HK) LIMITED**

THE DREAM STAR ACQUISITION

The Board is pleased to announce that on 3 June 2026 (after trading hours), the Company and Easou Technology Limited (as the Purchaser), a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement I with the Vendor I (as the vendor), an Independent Third Party, in relation to the Dream Star Acquisition. Pursuant to the Sale and Purchase Agreement I, the Vendor I agreed to sell, and the Purchaser agreed to purchase, the Sale Shares I (representing the entire issued share capital of the Target Company I as at the date of this announcement) for the consideration, being HK\$122,672,000. The consideration shall be satisfied by way of allotting and issuing a total of 68,000,000 Consideration Shares at the Issue Price of HK\$1.804 each, credited as fully paid, by the Company, to the Vendor I (or its nominee) on the Dream Star Completion Date.

Upon completion of the Dream Star Acquisition, the Target Company I will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into those of the Company.

THE YUNLANG ACQUISITION

The Board is pleased to announce that on 3 June 2026 (after trading hours), the Company and Easou Technology Limited (as the Purchaser), a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement II with the Vendor II (as the vendor), an Independent Third Party, in relation to the Yunlang Acquisition. Pursuant to the Sale and Purchase Agreement II, the Vendor II agreed to sell, and the Purchaser agreed to purchase, the Sale Shares II (representing the entire issued share capital of the Target Company II as at the date of this announcement) for the consideration, being HK\$39,688,000. The consideration shall be satisfied by way of allotting and issuing a total of 22,000,000 Consideration Shares at the Issue Price of HK\$1.804 each, credited as fully paid, by the Company, to the Vendor II (or its nominee) on the Yunlang Completion Date.

Upon completion of the Yunlang Acquisition, the Target Company II will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into those of the Company.

THE CONSIDERATION SHARES

The Consideration Shares I represent (i) approximately 15.04% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares I (assuming that there is no other change in the issued share capital of the Company from the date of this announcement up to the Completion Date I, save for the issue of the Consideration Shares I).

The Consideration Shares II represent (i) approximately 4.87% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares II (assuming that there is no other change in the issued share capital of the Company from the date of this announcement up to the Completion Date II, save for the issue of the Consideration Shares I and II).

Both Consideration Shares I and Consideration Shares II will be allotted and issued under the General Mandate.

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

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Dream Star Acquisition exceed 5% but all applicable percentage ratios are lower than 25%, the Dream Star Acquisition constitutes a discloseable transaction of the Company under relevant requirements of Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As all of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Yunlang Acquisition are less than 5% and the consideration will be satisfied by the allotment and issue of the Consideration Shares II, the Yunlang Acquisition constitutes a share transaction of the Company under relevant requirements of Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE ACQUISITIONS

The Dream Star Acquisition

The Board announces that on 3 June 2026 (after trading hours), the Company and the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement I with the Vendor I, pursuant to which the Vendor I agreed to sell, and the Purchaser agreed to purchase the entire issued share capital of the Target Company I at the Consideration I, being HK\$122,672,000, which shall be satisfied by way of allotment and issue of 68,000,000 Consideration Shares by the Company to the Vendor I (or its nominee(s) as it may direct), all credited as fully paid, on Dream Star Completion Date.

The Yunlang Acquisition

The Board announces that on 3 June 2026 (after trading hours), the Company and the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement II with Vendor II, pursuant to which Vendor II agreed to sell, and the Purchaser agreed to purchase the entire issued share capital of the Target Company II at the Consideration II, being HK\$39,688,000, which shall be satisfied by way of allotment and issue of 22,000,000 Consideration Shares by the Company to Vendor II (or its nominee(s) as it may direct), all credited as fully paid, on Yunlang Completion Date.

THE SALE AND PURCHASE AGREEMENT I

The principal terms of the Sale and Purchase Agreement I are summarised below:

Date

3 June 2026

Parties

- (i) Easou Technology Limited, as the Purchaser;
- (ii) Yingke Internet Ltd., being Vendor I, as the vendor; and
- (iii) the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor I is an Independent Third Party and not connected with the Company and its connected persons under the Listing Rules.

Subject Matter

100% issued shares of the Target Company I.

As at the date of this announcement, the Target Company I is wholly and beneficially owned by the Vendor I. For detailed information of the Target Company I, please refer to the section headed "Information of the Parties" below.

Consideration

Pursuant to the Sale and Purchase Agreement I, the total consideration for the Dream Star Acquisition is HK\$122,672,000, which shall be satisfied by way of allotment and issue of the 68,000,000 Consideration Shares by the Company at the Issue Price of HK\$1.804 per Consideration Share, to the Vendor I (or its nominee(s) as it may direct), all credited as fully paid, on Dream Star Completion Date.

The consideration was determined after arm's length negotiations between the Company, the Purchaser and the Vendor I, on normal commercial terms, with reference to, among other things, (i) the factors stated in the section headed "Reasons for and Benefits of the Acquisitions" set out below; (ii) the business analysis of the development prospects of the Target Company I and Dream Star; and (iii) the valuation report prepared by the Independent Valuer (the "**Dream Star Valuation Report**").

Dream Star Conditions

Completion of the Dream Star Acquisition is conditional upon the fulfilment or waiver (as the case may be) of the following conditions (the “**Dream Star Conditions**”):-

- (i) the Purchaser being reasonably satisfied with the results of the due diligence review referred to in the Sale and Purchase Agreement I;
- (ii) all other consents and acts required under the Listing Rules for the Purchaser entering into the transactions herein being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange;
- (iii) the listing of and permission to deal in the Consideration Shares I having been granted by the Stock Exchange and which has not been revoked as at the Dream Star Completion Date; and
- (iv) all other necessary approvals, consents, authorisations and licences in relation to the transactions contemplated under the Sale and Purchase Agreement I having been obtained.

The Dream Star Conditions (ii), (iii) and (iv) are not capable of being waived. The Vendor I shall use its reasonable endeavours to ensure that the Dream Star Condition (i) is fulfilled on or before the Dream Star Completion Date.

Dream Star Completion

Dream Star Completion shall take place on the fifth Business Day after fulfilment or waiver by the Purchaser (as the case may be) of all Dream Star Conditions, or at such other time as the parties hereto may agree in writing.

Upon completion of the Dream Star Acquisition, the Target Company I will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into those of the Company.

Termination

The Sale and Purchase Agreement I shall be terminated if the Dream Star Conditions are not waived or fulfilled (as the case may be) on or before the date falling one month from the date of the Sale and Purchase Agreement I or such other date as may be agreed between the parties in writing.

THE DREAM STAR VALUATION

For the purpose of the valuation of the 100% equity interest of the Target Company I contemplated under the Acquisition (the “**Dream Star Valuation**”), the Independent Valuer considers the financial information of Dream Star represents the financial position and operating results of the Target Company I as a whole as at the Valuation Date, since the Target Company I does not conduct any independent business operations and are established solely for the purpose of the Dream Star Acquisition. As of the Valuation Date, the Valuation result of the Target Company I is RMB116,000,000, particulars of which are set out below.

Financial Information of the Target Company I

Set out below are extracted from the audited financial statements of the Target Company I provided by the management of the Company to the Independent Valuer for the year ended 31 December 2024 and ended 31 December 2025:

	Year ended 31 December 2024 RMB'000	Year ended 31 December 2025 RMB'000
Revenue	74,412	96,105
EBIT	(6,913)	5,618

Valuation Methodology

In arriving at the appraised value of the Target Company I, the Independent Valuer considered the market approach, cost approach and income approach.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the characteristics of the Target Company I, the Independent Valuer considered that there are substantial limitations for the income approach and the cost approach for valuing the underlying asset. Firstly, income approach result would be more dependent on long term financial forecast internally prepared by the management, which is unobservable input and requires subjective assumptions. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the subject business.

In view of the above, the Independent Valuer has adopted the market approach for the Dream Star Valuation. The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few assumptions. The Independent Valuer is also of the view that this approach also introduces objectivity in application as publicly available inputs are used.

In the Dream Star Valuation, the market value of 100% equity interest in the Target Company I is developed through the application of the market approach technique known as the guideline public company method. This method requires the research of comparable companies' benchmark multiples and proper selection of a suitable multiple to derive the market value of the Target Company I.

The market value of the Target Company I is calculated by using EV/S ratio of the comparable companies and then taken into account of market liquidity discount and control premium as the appropriate adjustment.

Comparable Companies for the Dream Star Valuation

The comparable public companies are selected with reference to the following selection criteria:

- (i) The comparable companies are publicly listed;
- (ii) The comparable companies are primarily engaged in mobile game agency and publisher, with such business segment having accounted for no less than 80% of their respective total revenues based on the latest available financial data; and
- (iii) EV/S ratio as at the Valuation Date of the comparable companies are available.

Key Assumptions in the Dream Star Valuation

The Independent Valuer has adopted the following key assumptions in the Dream Star Valuation:

- (i) All relevant legal approvals and business certificates or licenses to operate the business in which the Target Company I and its subsidiaries operate or intend to operate have been or would be officially obtained and renewable upon expiry;
- (ii) There will be no major change in the political, legal, economic and social environment in which the Target Company I and its subsidiaries operate or intend to operate;
- (iii) Interest rates and exchange rates in the localities for the operation of the Target Company I and its subsidiaries will not differ materially from those presently prevailing;
- (iv) It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- (v) The financial and operational information about the Target Company I and its subsidiaries provided by the Company is accurate and it is relied to a considerable extent on such information in arriving at the opinion of value; and
- (vi) There are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value.

Key Inputs of the Dream Star Valuation

EV/S Ratio

In order to reflect the latest operation status of the Target Company I, the Independent Valuer considered that the suitable multiples in this valuation is EV/S ratio which are derived by the enterprise value (“**EV**”) divided by revenue for last twelve months (“**LTM**”) respectively as at the Valuation Date.

The detailed information of the comparable companies with available EV/S ratio, sourced from Capital IQ, is shown as follows:

Stock Code	Company Name	Market Capitalisation (RMB MM)	EV (Note) (RMB MM)	Revenue (RMB MM)	EV/S Ratio
TPEX:4946	Cayenne Entertainment Technology Co., Ltd.	185	169	79	2.13
TPEX:7584	Happytuk Co., Ltd.	149	133	214	0.62
SEHK:302	CMGE Technology Group Limited	1,036	1,310	1,390	0.96
SEHK:9890	Tanwan Inc.	8,146	5,712	4,158	1.37
Median					1.16
Average					1.27

Note: Enterprise Value = market capitalization + net debt + minority interest

Discount for Lack of Marketability (“DLOM”)

A factor to be considered in valuing closely held companies is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. Since an interest in a private-held company is worth less because no established market exists. Thus, the Independent Valuer made an adjustment from the value observed in the market approach to account for the lack of marketability in the Dream Star Valuation. The adjustment is the discount for lack of marketability.

The Independent Valuer has assessed the DLOM using the put option method, which is one of the most commonly used theoretical models. The concept is that when comparing a public share and a private share, holder of a public share has the ability to sell the shares (i.e. a put option) to the stock market right away. Based on the above analysis, the Independent Valuer applied 20% DLOM in the Dream Star Valuation.

Control Premium

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest a business enterprise that reflects the power of a control. Both factors recognize that control owners have rights that minority owners do not and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a control ownership block versus a minority ownership block.

The control premium adopted in the Dream Star Valuation is 30%, with reference to the control premium of closed transactions in game publisher industry within five (5) years prior to the Valuation Date.

Calculation of Valuation Result of the Target Company I

Under the guideline public company method, the market value depends on the market multiples of the comparable companies, sourced from Capital IQ, as at the Valuation Date and the Independent Valuer has taken into account of DLOM and control premium of the Target Company I that the Company will hold 100% of the equity interest in the Target Company I upon completion of the Dream Star Acquisition, which is a controlling interest in the Target Company I. The calculation of the market value of the equity interest in the Target Company I as at the Valuation Date is as follows:

As at
31 December
2025
RMB'000

Model-EV/S Ratio:

Median EV/S Ratio	1.16
Revenue for LTM ended 31 December 2025 of the Target Company I	96,105
Enterprise Value of the Target Company I	111,482
Less: Net Debt (<i>Note</i>)	(4)
Less: Minority Interest	–
Equity Value of the Target Company I	111,486
Adjusted DLOM at 20%	(1-20%)
Adjusted Control Premium at 30%	(1+30%)
100% Equity Value of the Target Company I	115,945
100% Equity Value of the Target Company I (<i>rounded</i>)	116,000

Note: Net Debt = total Loan/borrowing – total cash

View of the Board on the fairness and reasonableness of the Dream Star Valuation

Given that the Dream Star Valuation has taken into account the valuation multiples of comparable companies in the market, the Board is of the view that the key assumptions, the quantitative inputs, methodology and valuation analyses adopted in the Dream Star Valuation are fair and reasonable.

THE SALE AND PURCHASE AGREEMENT II

The principal terms of the Sale and Purchase Agreement II are summarised below:

Date

3 June 2026

Parties

- (i) Easou Technology Limited, as the Purchaser;
- (ii) Fortune Tiger LPF, as the vendor; and
- (iii) the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor II is an Independent Third Party and not connected with the Company and its connected persons under the Listing Rules.

Subject Matter

100% issued shares of the Target Company II.

As at the date of this announcement, the Target Company II is wholly and beneficially owned by the Vendor II. For detailed information of the Target Company II, please refer to the section headed "Information of the Parties" below.

Consideration

Pursuant to the Sale and Purchase Agreement II, the total consideration for the Yunlang Acquisition is HK\$39,688,000, which shall be satisfied by way of allotment and issue of the 22,000,000 Consideration Shares by the Company at the Issue Price of HK\$1.804 per Consideration Share, to Vendor II (or its nominee(s) as it may direct), all credited as fully paid, on Yunlang Completion Date.

The consideration was determined after arm's length negotiations between the Company, the Purchaser and Vendor II, on normal commercial terms, with reference to, among other things, (i) the reasons for and benefits of the Yunlang Acquisition stated in the section headed "Reasons for and Benefits of the Acquisitions" set out below; (ii) the business analysis of the development prospects of the Target Company II and Yunlang; and (iii) the valuation report prepared by the Independent Valuer for the Yunlang Requisition (the "**Yunlang Valuation Report**").

The Company considers the Issue Price, which was determined after arm's length negotiation between the Group and the Vendor II, to be fair and reasonable having considered, among other things, (i) that the issue of Consideration Shares II as the consideration would enable the Company to acquire the Yunlang Group without causing an undue burden on the Company's cash flow; (ii) the Issue Price represents the 5-day average closing price per Share prior to the date of the Sale and Purchase Agreement II; and (iii) the reasons for and benefits of the Yunlang Acquisition as described in the section headed "Reasons for and benefits of the Acquisitions".

The Yunlang Conditions

Completion of the Yunlang Acquisition is conditional upon the fulfilment or waiver (as the case may be) of the following conditions (the "**Yulang Conditions**"):

- (i) the Purchaser being reasonably satisfied with the results of the due diligence review referred to in the Sale and Purchase Agreement II;
- (ii) all other consents and acts required under the Listing Rules for the Purchaser entering into the transactions herein being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange;
- (iii) the listing of and permission to deal in the Consideration Shares II having been granted by the Stock Exchange and which has not been revoked as at the Yunlang Completion Date; and
- (iv) all other necessary approvals, consents, authorisations and licences in relation to the transactions contemplated under the Sale and Purchase Agreement II having been obtained.

The Yulang Conditions (ii), (iii) and (iv) are not capable of being waived. The Vendor II shall use its reasonable endeavours to ensure that the Yulang Conditions (i) is fulfilled on or before the Yunlang Completion Date.

Completion

Completion of the Yunlang Acquisition shall take place on the fifth Business Day after fulfillment or waiver by the Purchaser (as the case may be) of all Yunlang Conditions, or at such other time as the parties hereto may agree in writing.

Upon completion of the Yunlang Acquisition, the Target Company II will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into those of the Company.

Termination

The Sale and Purchase Agreement II shall be terminated if the Yunlang Conditions are not waived or fulfilled (as the case may be) on or before the date falling one month from the date of the Sale and Purchase Agreement II or such other date as may be agreed between the parties in writing.

THE YUNLANG VALUATION

For the purpose of the valuation of the 100% equity interest of the Target Company II contemplated under the Yunlang Acquisition (the “**Yunlang Valuation**”), the Independent Valuer considers the financial information of the Yunlang represents the financial position and operating results of the Yunlang Group as a whole as at the Valuation Date, since the Target Company II does not conduct any independent business operations and are established solely for the purpose of the Yunlang Acquisition. As of the Valuation Date, the valuation result of the Target Company II is RMB52,000,000, particulars of which are set out below.

Financial Information of the Target Company II

Set out below are extracted from the audited financial statements of the Target Company II provided by the management of the Company to the Independent Valuer for the year ended 31 December 2024 and ended 31 December 2025:

	Year ended 31 December 2024 RMB'000	Year ended 31 December 2025 RMB'000
Revenue	1,028	1,837
EBIT	180	(110)

Valuation Methodology

In arriving at the appraised value of the Target Company II, the Independent Valuer has also considered the same market approach, cost approach and income approach as discussed above.

Given the characteristics of the Target Company II, the Independent Valuer considered that there are substantial limitations for the cost approach and the income approach for valuing the underlying asset. Firstly, income approach result would be more dependent on long term financial forecast internally prepared by the management, which is unobservable input and requires subjective assumptions. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the subject business.

In view of the above, the Independent Valuer has adopted the market approach for the Yunlang Valuation. The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few assumptions. The Independent Valuer is also of the view that this approach also introduces objectivity in application as publicly available inputs are used.

In the Yunlang Valuation, the market value of 100% equity interest in the Target Company II is developed through the application of the market approach technique known as the guideline public company method. This method requires the research of comparable companies' benchmark multiples and proper selection of a suitable multiple to derive the market value of the Target Company II.

In order to reflect the latest operation status of the Target Company II, it is considered that the suitable multiples in this valuation are leading EV/S ratio which are derived by the enterprise value ("EV") divided by estimated revenue for the year 2026 respectively as at the Valuation Date. The market value of the Target Company II is calculated by using EV/S ratio of the comparable companies and then taken into account of market liquidity discount and control premium as the appropriate adjustment.

Comparable Companies for the Yunlang Valuation

The comparable public companies are selected with reference to the following selection criteria:

- (i) The comparable companies are publicly listed;
- (ii) The comparable companies are primarily engaged in mobile game agency and publisher, with such business segment having accounted for no less than 80% of their respective total revenues based on the latest available financial data; and
- (iii) EV/S ratio as at the Valuation Date of the comparable companies are available.

Key Assumptions in the Yunlang Valuation

The Independent Valuer has adopted the following key assumptions in the Yunlang Valuation:

- (i) All relevant legal approvals and business certificates or licenses to operate the business in which the Target Company II and its subsidiaries operate or intend to operate have been or would be officially obtained and renewable upon expiry;
- (ii) There will be no major change in the political, legal, economic and social environment in which the Target Company II and its subsidiaries operate or intend to operate;
- (iii) Interest rates and exchange rates in the localities for the operation of the Target Company II and its subsidiaries will not differ materially from those presently prevailing;
- (iv) It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- (v) The financial and operational information about the Target Company II and its subsidiaries provided by the Company is accurate and it is relied to a considerable extent on such information in arriving at the opinion of value; and
- (vi) There are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value.

Key Inputs of the Yunlang Valuation

EV/S Ratio

In order to reflect the latest operation status of the Target Company II, the Independent Valuer considered that the suitable multiples in this valuation is EV/S ratio which are derived by the enterprise value (“EV”) divided by revenue for last twelve months (“LTM”) respectively as at the Valuation Date.

The detailed information of the comparable companies with available EV/S ratio, sourced from Capital IQ, is shown as follows:-

Stock Code	Company Name	Market Capitalisation (RMB MM)	EV (Note) (RMB MM)	Revenue (RMB MM)	EV/S Ratio
SEHK: 9991	Baozun Inc.	1,081	1,484	10,293	0.14
SZSE:301110	Qingmu Tec Co., Ltd.	6,124	5,293	2,012	2.63
SZSE:300792	Hangzhou Onechance Tech Crop.	6,708	5,201	1,427	3.64
SZSE:003010	Guangzhou Ruoyuchen Technology Co., Ltd.	10,475	10,595	4,270	2.48
SZSE:300785	Beijing Zhidemai Technology Co., Ltd.	8,714	8,023	1,766	4.54
Median					2.63
Average					2.69

Note: Enterprise Value = market capitalization + net debt + minority interest

DLOM

In arriving at the appraised value of the Target Company II, the Independent Valuer has also considered the DLOM as discussed above.

Based on the above analysis, the Independent Valuer applied 20% DLOM in the Valuation.

Control Premium

The control premium adopted in the Yunlang Valuation is 20%, with reference to the control premium of closed transactions in are primarily engaged in interactive media and services or advertising or broadline retail or other related industry within 5 years prior to the Valuation Date.

Calculation of Valuation Result of the Target Company II

Under the guideline public company method, the market value depends on the market multiples of the comparable companies, sourced from Capital IQ, as at the Valuation Date and the Independent Valuer has taken into account of DLOM and control premium of the Target Company II that the Company will hold 100% of the equity interest in the Target Company II upon completion of the Yunlang Acquisition, which is a controlling interest in the Target Company II. The calculation of the market value of the equity interest in the Target Company II as at the Valuation Date is as follows:

As at
31 December
2025
RMB'000

Model-Leading EV/S Ratio:

Median Leading EV/S Ratio	2.63
Revenue for LTM ended 31 December 2025 of the Target Company	14,000
Enterprise Value of the Target Company	36,820
Less: Net Debt (<i>Note</i>)	-276
Less: Minority Interest	–
Equity Value of the Target Company	37,096
Adjusted DLOM at 20%	(1-20%)
Adjusted Control Premium at 30%	(1+20%)
100% Equity Value of the Target Company	35,612
100% Equity Value of the Target Company (rounded)	36,000

Note: Net Debt = total Loan/borrowing – total cash

View of the Board on the fairness and reasonableness of the Yunlang Valuation

Given that the Valuation has taken into account the valuation multiples of comparable companies in the market, the Board is of the view that the key assumptions, the quantitative inputs, methodology and valuation analyses adopted in the Yunlang Valuation are fair and reasonable.

THE CONSIDERATION SHARES

Consideration Shares I

68,000,000 Consideration Shares represents (i) approximately 15.04% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.08% of the Company's issued share capital as enlarged by the issue of the Consideration Shares I (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to the Completion Date I, save for the issue of the Consideration Shares I). The Consideration Shares I will be allotted and issued under the General Mandate.

Consideration Shares II

22,000,000 Consideration Shares represents (i) approximately 4.87% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.64% of the Company's issued share capital as enlarged by the issue of the Consideration Shares II (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to the Completion Date II save for the issue of the Consideration Shares II). The Consideration Shares II will be allotted and issued under the General Mandate.

Ranking

The Consideration Shares, when allotted and issued, shall be credited as fully paid and rank pari passu with all other Shares in issue in the share capital of the Company.

Application for Listing

Application for listing will be made by the Company to the Listing Committee for the approval for the listing of, and permission to deal in, the Consideration Shares.

Issue Price

The Issue Price of HK\$1.804 per Consideration Share represents:

- (i) a premium of approximately 2.5% to the closing price of HK\$1.760 per Share as quoted on the Stock Exchange on 2 June 2026, being the last full trading day prior to the date of the Sale and Purchase Agreement;
- (ii) the average closing price per Share as quoted on the Stock Exchange for the last five consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$1.804 per Share;
- (iii) a discount of approximately 8.10% to the average closing price per Share as quoted on the Stock Exchange for the last 30 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$1.963 per Share;
- (iv) a discount of approximately 6.93% over the average closing price per Share as quoted on the Stock Exchange for the last 60 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$1.938 per Share; and
- (v) a discount of approximately 15.69% over the average closing price per share as quoted on the Stock Exchange for the last 90 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$2.140 per Share.

Mandate to issue the Consideration Shares

The Consideration Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 90,410,848 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares pursuant to the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Consideration Shares and the allotment and issue of the Consideration Shares are not subject to any further approval of the Shareholders.

Lock-up Restrictions of the Consideration Shares

The Vendor I and Vendor II undertake that the Consideration Shares shall be subject to the following lock-up restrictions:

- (i) 30% of the Consideration Shares shall be released from lock-up six (6) months after the Completion Date;

- (ii) a further 30% of the Consideration Shares shall be released from lock-up twelve (12) months after the respective completion dates in the Sale and Purchase Agreement I and Sale and Purchase Agreement II; and
- (iii) the remaining 40% of the Consideration Shares shall be released from lock-up eighteen (18) months after the respective completion dates in the Sale and Purchase Agreement I and Sale and Purchase Agreement II.

For the avoidance of doubt, during the lock-up period, the Vendor I and Vendor II shall not (and shall procure that its nominee(s) shall not) sell, transfer, assign, charge, pledge, or otherwise dispose of any of the Consideration Shares, nor enter into any agreement or arrangement to do so, except with the prior written consent of the Purchaser.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Dream Star Acquisition

The Group is principally engaged in online literature recommendation services, digital marketing services, online games publishing services and other digital content services in the PRC. As mentioned in the Company's prospectus, the Group mainly operates four businesses. The online reading platform services analyze users' reading habits and preferences through learning algorithms to provide users with personalized literary content. The digital marketing services use big data analysis technology to grasp the characteristics of users' interest and in line with advertisers' needs, enable the accurate matching of advertising. The online games publishing services select game products based on a market performance evaluation system, and make game recommendation and distribution through user behavior analysis. The other digital content services push value-added services of telecom operators to customers, including various digital content such as music and ringing tones. As disclosed in the Company's 2025 Annual Report, several premium games are currently in the preparation phase and are expected to be launched in target markets in the near future.

To focus on its core competency building and ecosystem boundaries expansion, the Group has been proactively exploring business development opportunities, including the investment in companies that specialize in mobile internet product development.

Dream Star is a mobile game publisher which specialises in game operation and promotion, including refining the operation of high-quality mobile games, as well as the promotion and expansion of traffic for the games.

The Group has been actively evaluating potential investment opportunities that are well-aligned with the Group's core operations in the artificial intelligence (AI) application sector. The Directors believe that the Dream Star Acquisition represents a strategic opportunity that directly supports the Group's growth objectives. By integrating Dream Star into the Group's structure, the Directors expect that the Dream Star Acquisition will enable the Group to scale up its existing business, while Dream Star's proven expertise and capability in the gaming industry will significantly complement the Group's ongoing initiative to further develop strategic development initiatives to broaden the Group's revenue base and improve profitability through enhanced operational efficiency in the mobile game publishing value chain.

The Directors are also of the view that the Dream Star Acquisition, when combined with the Group's ongoing projects, are expected to (i) drive sustainable value growth over the medium to long term; (ii) accelerate the Group's organic growth; (iii) expand its business scope; (iv) enable the Group to keep pace with market developments; and (v) enhance its competitiveness in the evolving digital and AI industry.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Dream Star Acquisition, including the consideration, are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

None of the Directors has any material interest in the Dream Star Acquisition and no Director is required to abstain from voting on the board resolutions for the purpose of approving the Dream Star Acquisition.

Yunlang Acquisition

The Group has consistently sought to identify and evaluate investment opportunities that can enhance its technological ecosystem and expand its commercial reach. While the Group currently does not have any existing operations in the e-commerce sector, the Directors believe that the acquisition of the Target Company II consisting of AI-related application, represents a strategic entry point into this high-growth market.

Yunlang possesses the technological capability to deploy its AI powered recommendation engine on the Group's streaming platforms operating on TikTok and Douyin, thereby enabling personalised product recommendations to end-users. The Directors are of the view that these artificial intelligence technologies are highly complementary to the Group's existing AI application portfolio, which encompasses online reading, digital marketing, online games publishing, and other digital content services.

Specifically, the integration of Yunlang's artificial intelligence technologies is expected to assist the Group to venture into the live streaming e-commerce sector, being a commercially promising field that the Group has identified for strategic expansion. By applying the Yunlang's technology to the Group's current and planned streaming activities, the Directors believe the Group can effectively recommend products to users in real time, thereby creating new revenue streams and enhancing user engagement.

In addition, the Yunlang Acquisition is expected to accelerate the Group's organic growth, expand the Group's business scope beyond its current service lines, while enabling the Group to keep pace with market developments in the rapidly evolving AI and digital retail landscape and enhancing the Group's competitiveness in the digital and AI industry, both by strengthening its technological differentiation and by diversifying its revenue base.

Yunlang is a company principally operating in the software and information technology service sector, and also possesses proprietary AI technologies which the Directors believe are in line with the Group's business strategy and intention to invest in technologies for artificial intelligence generated content.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Yunlang Acquisition, including the consideration, are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

None of the Directors has any material interest in the Yunlang Acquisition and no Director is required to abstain from voting on the board resolutions for the purpose of approving the Yunlang Acquisition.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Consideration Shares I under the Dream Star Acquisition (assuming that there is no other change in the issued share capital of the Company from the date of this announcement up to the Completion Date, save for the issue of the Consideration Shares I); and (iii) immediately after the allotment and issue of the Consideration Shares II under the Yunlang Acquisition (assuming that there is no other change in the issued share capital of the Company from the date of this announcement up to the Completion Date, save for the issue of the Consideration Shares II):

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares I under the Dream Star Acquisition		Immediately after the allotment and issue of the Consideration Shares II under the Yunlang Acquisition	
Directors and Substantial Shareholders						
– Wang Xi and his associate(s) (Note 1, 2)	106,855,884	23.64%	106,855,884	20.55%	106,855,884	19.71%
– Chen Jun and his associate(s) (Note 3)	2,059,860	0.45%	2,059,860	0.39%	2,059,860	0.38%
– Zhao Lei and his associate (Note 4)	33,284	0.01%	33,284	0.01%	33,284	0.01%
Other Shareholders						
–Other Public Shareholders	343,105,216	75.90%	343,105,216	65.97%	343,105,216	63.30%
Vendor I and its associate(s) (Note 5, 6)	–	–	68,000,000	13.08%	68,000,000	12.54%
Vendor II and its associate(s)	–	–	–	–	22,000,000	4.06%
Total	452,054,244	100.00%	520,054,244	100.00%	542,054,244	100.00%

Notes:

- Mr. Wang Xi is an executive Director. To the best knowledge of the Directors, Growth Value LTD., which holds 106,855,884 Shares, is an investment holding company incorporated in the British Virgin Islands and, upon the establishment of The Hope Trust, is owned as to (i) 99% by Gather Forever Investments Limited, which in turn is wholly owned by CMB Wing Lung (Trustee) Ltd. (the trustee of The Hope Trust); and (ii) 1% by FASE LTD., which in turn is wholly owned by Mr. Wang Xi. The Hope Trust is an irrevocable reserved power trust established by Mr. Wang Xi, as the settlor and protector, with CMB Wing Lung (Trustee) Ltd., an independent trustee, as trustee, for the benefit of Mr. Wang Xi and his family members. As such, Mr. Wang Xi (as the founder of The Hope Trust), CMB Wing Lung (Trustee) Ltd., Gather Forever Investments Limited and FASE LTD. are deemed to be interested in all the Shares held by Growth Value LTD. pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

2. Ms. Zhou Yuan is the spouse of Mr. Wang Xi and is deemed or taken to be interested in all the Shares in which Mr. Wang Xi has, or is deemed to have, an interest for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
3. Mr. Chen Jun is an executive Director. To the best knowledge of the Directors, the 2,059,860 Shares are held by SKYMOBI LTD., which in turn is directly wholly-owned by Mr. Chen Jun. As such, Mr. Chen Jun is deemed to be interested in the 2,059,860 Shares held by Skymobi under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
4. Mr. Zhao Lei is an executive Director. To the best knowledge of the Directors, the 33,284 Shares are held by FULL OCEAN INVESTMENTS LTD., which in turn is directly wholly-owned by Mr. Zhao Lei. As such, Mr. Zhao Lei is deemed to be interested in the 33,284 Shares held by Full Ocean under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
5. To the best knowledge of the Directors, Yingke Internet Ltd., which holds 68,000,000 Shares, is an investment holding company incorporated in the British Virgin Islands. Yingke Internet Ltd., is owned as to 100% by Mr. Li Xiaoming. As such, Mr. Li Xiaoming (as the founder of Yingke Internet Ltd.) is deemed to be interested in all the Shares held by Yingke Internet Ltd. pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
6. Ms. Zhang Bei is the spouse of Mr. Li Xiaoming and is deemed or taken to be interested in all the Shares in which Mr. Li Xiaoming has, or is deemed to have, an interest for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INFORMATION OF THE PARTIES

The Company

The Company was incorporated in the Cayman Islands with limited liability, with its Shares listed on the Main Board of the Stock Exchange. The Group is principally engaged in online literature recommendation services, digital marketing services, online games publishing services and other digital content services in the PRC.

The Purchaser

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

The Vendor I

Yingke Internet Ltd., is a company incorporated in the British Virgin Islands. It is primarily engaged in investment activities. To the best information and belief of the Directors after having made reasonable enquiry, the Vendor I is held as to 100% by Mr. Li Xiaoming.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendor I and its ultimate beneficial owners are Independent Third Parties.

The Vendor II

Fortune Tiger LPF, is a limited partnership fund registered in Hong Kong. It is primarily engaged in investment activities. To the best information and belief of the Directors after having made reasonable enquiry, the Vendor II is held as to 99% by Mr. Zhang Ruisheng and 1% by Great Universe International Holding Co., Limited, a private company incorporated in Hong Kong which is wholly owned by Mr. Tam Kin Keung.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendor II and its ultimate beneficial owners are Independent Third Parties.

The Target Company I

Yingke Internet (Hong Kong) Limited, is a company limited by shares incorporated in Hong Kong. It is primarily engaged in investment activities. The Target Company I holds 100% equity interest of the WFOE which is a wholly foreign-owned enterprise established in the PRC.

By virtue of a series of structured contracts entered by and among the WFOE, Dream Star and Mr. Li (as the case may be), the WFOE will be allowed to exercise control over the operations of Dream Star and enjoy the economic benefits generated by Dream Star via the Contractual Arrangements, including the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Equity Pledge Agreement and Proxy Agreement. Further details of the Contractual Arrangements are set forth in the section headed “Contractual Arrangements adopted by the Dream Star Group” in this announcement.

Set out below is the audited financial information of Dream Star for the years ended 31 December 2024 and 31 December 2025:

	For the year ended 31 December 2024	For the year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)
Revenue	74,412	96,105
Net profit/(loss) before taxation	(6,906)	5,691
Net profit/(loss) loss after taxation	(6,906)	5,691
Net asset/(liability) value	(5,234)	457

The Target Company II

Yunlang Technology (HK) Limited, is a company limited by shares incorporated in Hong Kong. It is primarily engaged in investment activities. The Target Company II holds 100% equity interest of Yunlang.

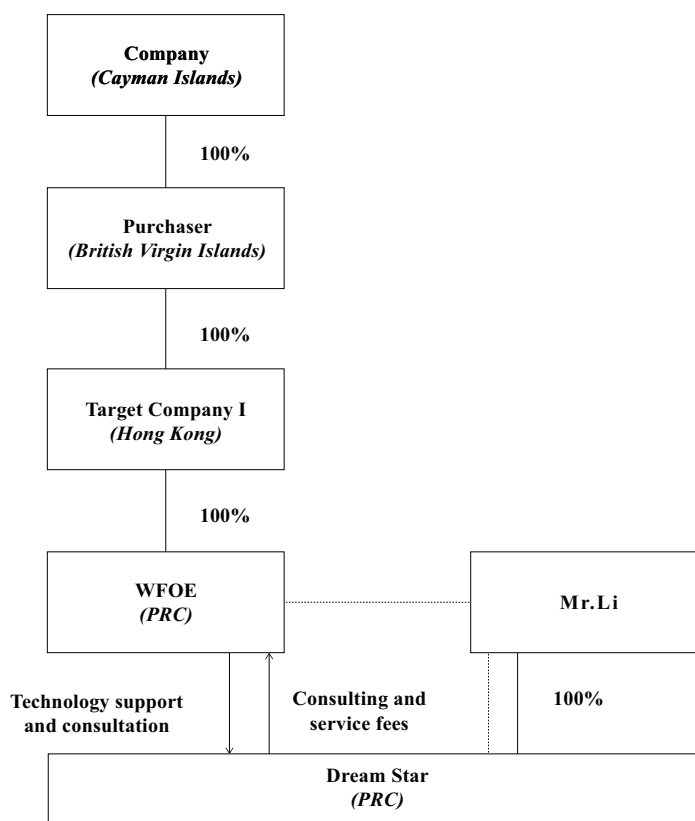
Set out below is the audited financial information of Yunlang for the years ended 31 December 2024 and 31 December 2025:

	For the year ended 31 December 2024	For the year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)
Revenue	1,028	1,837
Net profit/(loss) before taxation	(180)	(159)
Net profit/(loss) loss after taxation	(180)	(159)
Net asset/(liability) value	(1,093)	(1,252)

CONTRACTUAL ARRANGEMENTS ADOPTED BY THE DREAM STAR GROUP

The Dream Star Group adopted the Contractual Arrangements due to the foreign ownership restriction on the investment in certain business operated by Dream Star (the “**Relevant Business**”) in the PRC, further details of which are set out in the section headed “Reasons for use of the Contractual Arrangements” in this announcement.

The following simplified diagram illustrates the arrangement under the Contractual Arrangement:



Notes:

“—” denotes direct legal and beneficial ownership in the equity interests.

“→” denotes contractual relationships under the VIE Agreements.

“-----” denotes the control by the WFOE over Mr. Li through (i) the power of attorney to exercise all shareholders’ rights in Dream Star; (ii) exclusive call option to acquire all or part of the equity interests in or assets of Dream Star; and (iii) equity pledge over the equity interests in Dream Star.

Reasons for use of the Contractual Arrangements

The main reason for the Dream Star Group adopting the Contractual Arrangements was because the Relevant Businesses operated by Dream Star are subject to foreign ownership restriction in the PRC, and hence the Dream Star Group is unable to own or hold any direct equity interest in Dream Star.

Foreign investment activities in the PRC are mainly governed by the 2021 Negative List and the Catalogue of Industries for Encouraging Foreign Investment (2021 Version), which were promulgated and are amended from time to time jointly by the Ministry of Commerce of the PRC and the National Development and Reform Commission of the PRC. The 2021 Negative List and the Encouraging Catalogue divide industries into “encouraged”, “restricted”, “prohibited” and “permitted” (the last category of which includes all industries not listed under the “encourage”, “restricted” and “prohibited” categories).

A summary of Relevant Business that are subject to foreign investment restrictions or prohibitions in accordance with the applicable PRC laws and regulations is set forth below:

Categories	Relevant Businesses	Foreign Ownership Restrictions
Prohibited Business	Internet cultural business Dream Star currently holds an Internet Culture Operation License (using information network to operate animation products)	According to the 2021 Negative List, foreign investors are prohibited from holding equity interest in any enterprise engaging in internet cultural business (except for music). According to the Interim Administrative Provisions on Internet Culture (《互聯網文化管理暫行規定》), the internet cultural business refers to the activities of providing internet culture products and services, including producing, reproducing, importing, distributing and broadcasting internet culture products and other activities.

Categories	Relevant Businesses	Foreign Ownership Restrictions
Restricted Business	<p data-bbox="491 321 927 353">Internet publication business</p> <p data-bbox="491 412 919 534">Dream Star currently holds an Internet Publishing Service License.</p> <p data-bbox="491 634 986 708">Value-added telecommunication services</p> <p data-bbox="491 768 986 1481">Dream Star currently holds a value-added telecommunications business operation license (Internet services only, inclusive of cultural services but excluding searches or instant interactive services) (《增值電信業務經營許可證》(信息服務業務：僅限互聯網信息服務)(含文化)不含信息搜索查詢業務、信息即時交互服務) and/or service provider licenses (information services, excluding Internet information services) (《增值電信業務經營許可證》)(信息服務業務：不含互聯網信息服務).</p>	<p data-bbox="1023 321 1441 580">According to the 2021 Negative List, foreign investors are prohibited from holding equity interest in any enterprise engaging in internet publishing business.</p> <p data-bbox="1023 634 1441 1119">According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), foreign investors are not allowed to hold more than 50% equity interest in any enterprise conducting value-added telecommunication service, subject to certain exceptions.</p>

In light of such foreign ownership restriction, the Target Company I, through the WFOE, entered into a series of VIE Agreements with Dream Star and Mr. Li. The Contractual Arrangements have allowed the Target Company I to exercise full control over Dream Star and consolidate the financial results of Dream Star into the accounts of Dream Star Group as if it was a subsidiary of the Target Company I.

Major Terms of the Contractual Arrangements

Exclusive Business Cooperation Agreement

Under the exclusive business cooperation agreement dated 27 May 2026 between the WFOE and Dream Star (the “**Exclusive Business Cooperation Agreement**”), Dream Star agreed to engage the WFOE as its exclusive provider of technical support, consulting services and other services in exchange for a service fee.

Pursuant to the Exclusive Business Cooperation Agreement, the service fee shall consist of 100% of the total consolidated profit of the PRC Affiliated Entities in any financial year, after setting off any accumulated deficit of the PRC Affiliated Entities in respect of the preceding financial year(s) (if any), and after the deduction of operating costs, expenses, taxes and other statutory contributions in such financial year. Notwithstanding the foregoing, the WFOE may adjust the scope and amount of services fees in accordance with the PRC tax regulations and practices and with reference to the operating conditions and development of the PRC Affiliated Entities.

The WFOE shall calculate the service fee on a monthly basis and issue a corresponding invoice to the PRC Affiliated Entities. Notwithstanding the payment arrangements in the Exclusive Business Cooperation Agreement, the WFOE may adjust the payment time and payment method of the service fee.

In addition, without the prior written consent of the WFOE, during the term of the Exclusive Business Cooperation Agreement, the PRC Affiliated Entities shall not accept the same or any similar services and/or support provided by any third party with respect to the services subject to the Exclusive Business Cooperation Agreement and shall not establish cooperation relationships similar to that formed by the Exclusive Business Cooperation Agreement with any third party. In addition, without the prior written consent of the WFOE, the PRC Affiliated Entities shall not enter into any written or oral agreements with any third party for the provision of the same or similar services. The WFOE may designate other parties, who may enter into certain agreements with the PRC Affiliated Entities, to provide the PRC Affiliated Entities with the services under the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement also provides that the WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the PRC Affiliated Entities during the performance of the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement shall remain effective unless terminated (a) upon Dream Star's bankruptcy, liquidation or dissolution, at which time the Exclusive Business Cooperation Agreement will terminate upon the bankruptcy, liquidation or dissolution becomes effective; (b) If the PRC laws permits the WFOE to directly hold shares in Dream Star and the WFOE and its subsidiaries (if any) and branches (if any) to legally conduct PRC Company's business, on the date the WFOE is officially registered as the sole shareholder of Dream Star; (c) in writing by the WFOE; or (d) in accordance with the provisions of the Exclusive Business Cooperation Agreement.

Exclusive Option Agreement

Under the exclusive option agreement dated 27 May 2026 among the WFOE, Dream Star and Mr. Li (the "**Exclusive Option Agreement**"), Mr. Li and Dream Star irrevocably and unconditionally grant the exclusive right to the WFOE to:

- (a) require Mr. Li to transfer any or all his shares in Dream Star to the WFOE and/or its nominee(s), in whole or in part at any time and from time to time, at:
 - (i) the lowest price permitted under the PRC laws and regulations at the time of the purchase, and if the consideration for the exercise of the exclusive right to purchase by the WFOE or its nominee exceeds RMB1, the difference shall be compensated by Mr. Li to the WFOE or its nominee; or
 - (ii) in the absence of such provisions under the PRC laws and regulations, for a price of RMB1;
- (b) purchase at any time all or part of the assets of Dream Star.

Dream Star and Mr. Li, among other things, have jointly, severally and irrevocably covenanted that:-

- (a) without the prior written consent of the WFOE, they shall not in any manner supplement, change or amend the business scope and the constitutional documents of Dream Star, increase or decrease their issued share capital, or change the structure of their share capital in other manner;
- (b) they shall maintain Dream Star's corporate existence and conduct its business and affairs prudently and efficiently in accordance with good financial and business standards and practices and not to cause Dream Star to be liquidated, suspended, wound up or dissolved;

- (c) without the prior written consent of the WFOE, they shall not at any time following the effective date of the Exclusive Option Agreement sell, transfer, gift, pledge or dispose of or procure the management of Dream Star to sell, transfer, gift, pledge or dispose of any legal or beneficial interest in any assets (including intellectual properties) business or revenues of the PRC Affiliated Entities, or allow the encumbrance thereon of any security interest;
- (d) they shall procure that Dream Star fulfill its obligations under the Exclusive Option Agreement, Equity Pledge Agreement and Proxy Agreement, and shall not terminate or procure Dream Star or the management of Dream Star to terminate the Contractual Arrangements entered into by Dream Star or enter into any agreement that conflicts with the Contractual Arrangements without the prior written consent of the WFOE;
- (e) they shall not incur any indebtedness, except for indebtedness incurred in the ordinary course of business, ordinary borrowings of Dream Star, or indebtedness which has been disclosed to and agreed in writing by the WFOE;
- (f) Dream Star shall operate all of its business at all times in the ordinary course of business to maintain the asset value of the PRC Affiliated Entities, and refrain from any action or omission that may adversely affect the operating status and asset value of the PRC Affiliated Entities;
- (g) without the prior written consent of the WFOE, they shall not cause the PRC Affiliated Entities to execute any material contract or enter into any material transaction with a single lump sum or aggregate value above RMB20 million in a financial year, except the contracts executed in the ordinary course of business;
- (h) without the prior written consent of the WFOE, they shall not cause the PRC Affiliated Entities to provide any person with any loan or guarantee;
- (i) if requested by the WFOE, they shall provide the WFOE or its nominee with all information concerning the labour, operations and financial conditions of Dream Star;
- (j) if requested by the WFOE, they shall procure the PRC Affiliated Entities to purchase and maintain insurance from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that own similar businesses in the WFOE's consented geographical area and similar property or asset;

- (k) without the prior written consent of the WFOE, they shall not cause or permit the PRC Affiliated Entities to split, merge, consolidate with, acquire or invest in any person, or be acquired by any person;
- (l) they shall notify the WFOE immediately of any litigation, arbitration or administrative proceedings that have taken place or may take place in relation to the assets, business and income of the PRC Affiliated Entities and take all necessary measures as reasonably requested by the WFOE;
- (m) they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, assert all necessary or appropriate claims, or defend all claims as may be necessary and appropriate to preserve the ownership of the PRC Affiliated Entities in all of its assets;
- (n) if the exercise of the exclusive right to purchase by the WFOE is prevented by the failure of Mr. Li or Dream Star to comply with their tax obligations under applicable law, the WFOE shall be entitled to require Dream Star or Mr. Li to comply with such tax obligations or to require Dream Star or Mr. Li to pay such taxes to the WFOE to pay on behalf of Dream Star;
- (o) without the prior written consent of the WFOE, Dream Star shall not in any manner distribute dividends, bonuses, distributable benefits and for other income arising from any assets and equity interest held by Mr. Li to its shareholders. For the avoidance of doubt, all benefits received by the WFOE during the term of this Agreement and upon termination of this Agreement shall not be returned to Mr. Li;
- (p) Dream Star shall adopt and cause its subsidiaries and branches to adopt all applicable internal control policies and systems established by the WFOE as it may require from time to time; and
- (q) in the event of liquidation or dissolution of Dream Star, they shall promptly procure Dream Star to appoint any persons designated by the WFOE to administer the property of Dream Star to the extent permitted by PRC law.

In addition, Mr. Li, among other things, has irrevocably covenanted that:

- (a) without the prior written consent of the WFOE, he shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in Dream Star, or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreement;

- (b) without the prior written consent of the WFOE, he shall not support or sign any shareholder's resolution to approve the sale, transfer, pledge or otherwise dispose of any legal or beneficial interest in Dream Star or assets, or allow the encumbrance thereon, except to the WFOE or its designated party;
- (c) without the prior written consent of the WFOE, he shall not support or sign any shareholder's resolution to approve that Dream Star merge with, be acquired by, or invest in any person, or after the registered share capital or company form of Dream Star;
- (d) for each exercise of the equity purchase option under the Exclusive Option Agreement, they shall cause Dream Star to convene, in a timely manner, the shareholder's meeting of Dream Star to vote on the approval of the transfer of shares and assets pursuant to the Exclusive Option Agreement;
- (e) he shall notify the WFOE immediately of any litigation, arbitration or administrative proceedings that have taken place or may take place in relation to the shares or assets held by him (except for litigation related to normal business operations);
- (f) without the prior written consent of the WFOE, he shall not appoint or remove any director, supervisor or other officer of Dream Star, whom shall be appointed by Mr. Li and, if requested by the WFOE, to appoint or employ a person appointed by the WFOE as a director and officer of Dream Star;
- (g) without the prior written consent of the WFOE, procure that Dream Star shall not in any manner distribute dividends, bonuses, distributable benefits and for other income arising from any assets and equity interest held by Mr. Li to its shareholders;
- (h) strictly abide by the provisions of the Exclusive Option Agreement and other agreements jointly or separately entered into by WFOE, Dream Star and Mr. Li, faithfully perform all obligations under such instruments and refrain from any act or omission that would affect the validity and enforceability of such instruments; and
- (i) if there is potential conflict of interest among the WFOE, Dream Star and Mr. Li, he shall prioritise the protection of the interest of the WFOE or the Target Company I.

Mr. Li has also undertaken that, subject to the relevant laws and regulations, he will return to the WFOE any consideration he receives in the event that the Exclusive Option Agreement is terminated.

The Exclusive Option Agreement shall remain effective unless terminated in writing or in the event that the shares held by Mr. Li in Dream Star or all assets of Dream Star have been lawfully transferred to the WFOE or its nominee(s).

Equity Pledge Agreement

Under the equity pledge agreement dated 27 May 2026 between the WFOE, Dream Star and Mr. Li (the “**Equity Pledge Agreement**”), Mr. Li agreed to pledge to the WFOE (i) all of his shares in Dream Star, including any additional shares in Dream Star that may be subscribed by Mr. Li after the entering into of the Equity Pledge Agreement; and (ii) his present and future rights, interests, distributions or income related to his shares in Dream Star as a continuing security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

During the term of the pledge, the WFOE is entitled to receive dividends distributed on the shares pledged, and Mr. Li shall procure Dream Star and Dream Star agrees not to distribute any dividends or adopt any profit distribution schemes. If Mr. Li shall receive any economic benefit of any nature other than a dividend or other profit distribution in respect of the pledged shares, Mr. Li shall, at the request of the WFOE, instruct Dream Star to remit the relevant amount directly to the bank account specified by the WFOE, which shall not be used by Mr. Li without the prior written consent of the WFOE.

The pledge in respect of Dream Star takes effect upon the completion of registration with the relevant administration for market regulation and shall remain valid until after all the contractual obligations of Mr. Li and Dream Star under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of Mr. Li and Dream Star under the relevant Contractual Arrangements have been fully paid.

Upon the occurrence of an event of default (as defined in the Equity Pledge Agreement), Mr. Li shall immediately notify the WFOE in writing. Unless the event of default has been successfully resolved to the WFOE’s satisfaction, the WFOE may, upon the occurrence of an event of default or any time thereafter, deliver a notice in writing of the event of default to Mr. Li, and shall have the right to exercise all rights and power to rectify the event of default under applicable PRC laws and the Equity Pledge Agreement, including but not limited to being paid in priority with the shares based on the monetary valuation that such equity interest is converted into or from the proceeds from auction or sale of the shares.

Proxy Agreement

Under the proxy agreement among the WFOE, Dream Star and Mr. Li dated 27 May 2026 (the “**Proxy Agreement**”), Mr. Li irrevocably and exclusively delegated to the WFOE or its nominee (including but not limited to the directors, successors and/or liquidators of the WFOE) the exercise on his behalf of any and all voting and other rights that he has in respect of their shares in Dream Star pursuant to applicable laws, regulations and the articles of association of Dream Star, including but not limited to the following rights:

- (a) to propose, convene and attend shareholders’ meetings of Dream Star on behalf of the Mr. Li, receive notice of and sign minutes and resolutions of any shareholders’ meeting, exercise voting rights on all matters at such meetings (including but not limited to the appointment, election or removal of directors, legal representatives, supervisors and senior management of Dream Star), and to execute any documents which shall be executed by the Mr. Li and to submit such documents for the purpose of filing with the relevant administration for market regulation on behalf of Dream Star;
- (b) to authorize or resolve, on behalf of Mr. Li, on matters relating to the disposal of assets of Dream Star;
- (c) to resolve, on behalf of Mr. Li, on the dissolution and liquidation of Dream Star, and on the formation of a liquidation committee and exercise the powers and functions of the liquidation committee during the liquidation period in accordance with the applicable laws;
- (d) to transfer or, in any other manner, dispose of the shares in Dream Star held by Mr. Li in any manner and to execute all necessary documents and perform all necessary steps on behalf of Mr. Li for such purpose; and
- (e) such other rights as shareholders of Dream Star as provided for in other applicable PRC laws and regulations and the articles of association of Dream Star (and as amended from time to time).

Pursuant to the Proxy Agreement, Mr. Li shall not transfer or undertake to transfer all or any of his shares in Dream Star to, or create any pledge or encumbrance on such shares for the benefit of any entity or person, other than the WFOE or its nominee. If Mr. Li transfers all of his shares in Dream Star with the consent of the WFOE, Mr. Li shall cease to be a party to the Proxy Agreement upon transferring all his shares in Dream Star, but the obligations and undertakings of other registered shareholder of Dream Star (if any) under the Proxy Agreement shall not be affected in any way. Any transfer of shares in Dream Star by Mr. Li with the consent of the WFOE shall be conditional upon the transferee undertaking to assume Mr. Li's rights and obligations under the Proxy Agreement and becoming a party to the Proxy Agreement in place of Mr. Li.

As a result of the Proxy Agreement, the Company, through the WFOE, is able to exercise management control over the activities that most significantly impact the economic performance of Dream Star.

The Proxy Agreement, shall remain effective until, among others, the WFOE or its nominee has lawfully acquired all the shares in and/or all assets of Dream Star.

Undertaking Letter

Mr. Li has signed an undertaking letter (the “**Undertaking Letter**”), pursuant to which Mr. Li confirms and undertakes to the WFOE that:

- (a) Dream Star equity held by Mr. Li does not represent equity that Mr. Li beneficially owns or any beneficial property interests; it does not form part of Mr. Li's property. Mr. Li has no rights to profits/benefits/entitlements or any preferential rights, nor any claims in respect of such equity;
- (b) to enter into a Contractual Arrangement as a shareholder; Mr. Li will sign any further amendments/modifications/supplementary agreements required by The Stock Exchange of Hong Kong Limited from time to time, and perform (or procure Dream Star to perform) obligations under such agreements, including without limitation:
 - (i) voting in favor on relevant matters at shareholder/board meetings and granting necessary approvals and authorisations for required legal documentation; and
 - (ii) if the WFOE exercises the exclusive purchase right (subject to PRC law) to purchase any of Mr. Li's interests under the “**Exclusive Option Agreement**”, Mr. Li will unconditionally waive any statutory and/or contractual preferential purchase rights and other shareholder rights (if any), and sign/provide all necessary documents and take all necessary actions to effect the transfer.

- (c) any related interests (including inheritance, profits/benefits, disposition, voting, equity transfer and equity pledge rights, etc.) are not inheritable property, and no heir under PRC law shall have any inheritance rights in respect of his equity; and
- (d) no other family member or relative has any rights to, or entitlement in respect of, such equity, and there is no basis for any such rights or claims; they will not make any claim or request regarding his equity in the future.

Spousal Consents

The spouse of Mr. Li, Ms. Zhang Bei has signed a spousal consent letter, pursuant to which the signing spouses unconditionally and irrevocably agree that they are aware of the Exclusive Option Agreement, Equity Pledge Agreement, the Proxy Agreement and the Undertaking Letter, and have no objection regarding such contractual arrangements.

Ms. Zhang Bei agrees that: (i) any present or future shares held by her spouse as a registered shareholder of Dream Star in Dream Star do not fall within the scope of their communal properties; (ii) she will not take any measures that are in conflict with the Contractual Arrangements; and (iii) she will take any necessary measures to procure the execution of the Contractual Arrangements.

Dispute Resolution

Each of the VIE Agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the Contractual Arrangements, the parties shall negotiate to resolve the dispute arising from or in connection with the VIE Agreements. In the event the parties fail to reach an agreement on the resolution of a dispute within sixty (60) days after the emergence of the relevant dispute, any party has the right to submit the relevant dispute to the Shenzhen Court of International Arbitration for arbitration, in accordance with the then effective arbitration rules.

The arbitration award shall be final and binding on all parties. The dispute resolution provisions also provide that the arbitral tribunal may award remedies over the shares or assets of Dream Star or injunctive relief (e.g. limiting the conduct of business, limiting or restricting transfer or sale of shares or assets) or order the winding up of Dream Star; any party may apply to the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company), the PRC and the places where the principal assets of Dream Star are located for interim remedies or injunctive relief.

However, our PRC legal advisers has advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of Dream Star pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC.

Succession

As advised by our PRC legal advisers, subject to the succession rules of the PRC Civil Code, the provisions set out in the Contractual Arrangements are also binding on any successor(s) of Mr. Li as if such successor was a signing party to the Contractual Arrangements. As such, any breach by the successors would be deemed to be a breach of the Contractual Arrangements. Under the PRC Civil Code, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents. In the case of a breach, the WFOE can enforce its rights against the successors.

Loss Sharing

Under the relevant PRC laws and regulations, none of our Company or the WFOE is legally required to share the losses of, or provide financial support to the PRC Affiliated Entities. Further, the PRC Affiliated Entities are limited liability companies and shall be solely liable for its own debts and losses with assets and properties owned by them.

Despite the foregoing, given that our Group conducts certain of its business operations in the PRC through the PRC Affiliated Entities, which hold the requisite PRC operational licenses and approvals, and that its financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Company's business, financial position and results of operations would be adversely affected if the PRC Affiliated Entities suffer losses.

Liquidation

Pursuant to the Proxy Agreement, Mr. Li has undertaken that the WFOE or its nominee are entitled to appoint members of the liquidation committee of Dream Star upon the winding up of Dream Star. Pursuant to the Equity Pledge Agreement, in the event of a mandatory liquidation required by the PRC laws, Mr. Li, being the shareholder of Dream Star shall, upon completion of the liquidation, gives the proceeds he received from liquidation as a gift to the WFOE or its designee(s) to the extent permitted by the PRC laws.

Accordingly, in the event a winding up of Dream Star, the WFOE is entitled to liquidation proceeds of Dream Star based on the Contractual Arrangements for the benefit of our Company's creditors and shareholders.

Insurance

There are certain risks involved in our operations, in particular, those relating to our corporate structure and the Contractual Arrangements. A further discussion of material risks relating to our Contractual Arrangements is set forth in the section headed "Risks Relating to Our Contractual Arrangements". The Company has determined that the costs of insurance for the risks associated with business liability or disruption and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Accordingly, the Company did not purchase any insurance to cover the risks relating to the Contractual Arrangements.

Conflict of Interest

The Registered Shareholders may have potential conflict of interest with the Target Company I. To mitigate any potential conflict of interest, Mr. Li undertook in the Power of Attorney to irrevocably appoint the WFOE (or such other person designated by the WFOE) as their sole and exclusive attorney to act on their behalves on all matters concerning their rights as the shareholders of Dream Star and to exercise all their rights as the registered shareholders of Dream Star. Mr. Li shall have no right to assign or novate any of his rights and obligations under the Proxy Agreement to any third parties unless with prior written consent of the WFOE.

Our Confirmation

The Directors confirm that, as of the date of this announcement, the Company had not encountered any interference or encumbrance from any PRC government authorities in operating our businesses through the PRC Affiliated Entities under the Contractual Arrangements.

Internal Control

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and the Group's compliance with the Contractual Arrangements:

- (a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

- (b) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (c) the Company will disclose the overall performance of and compliance with the Contractual Arrangements in its annual reports; and
- (d) the Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the WFOE and the PRC Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Legality of the Contractual Arrangements

Based on the above, our PRC legal advisor is of the opinion that the Contractual Arrangements are narrowly tailored to minimize potential conflict with relevant PRC laws and regulations and that:

- (a) each of WFOE and the PRC Affiliated Entities was duly established and validly existing under the laws of their incorporation, respectively, and Mr. Li is a legal person with full civil and legal capacity;
- (b) each party to each VIE Agreements has the qualification and power to enter into such agreements;
- (c) none of the VIE Agreements is and will be in violation of the currently effective constitutional documents of the WFOE and the PRC Affiliated Entities;
- (d) the content, execution and performance of the Contractual Arrangements do not constitute a violation of the relevant PRC laws and regulations;
- (e) the rights and obligations under the Contractual Arrangements are legally binding on all parties;
- (f) none of the VIE Agreements violate and will violate the mandatory provisions of the PRC Civil Code and other applicable mandatory provisions of PRC laws and administrative regulations or fall within any of the circumstances as stipulated in the PRC Civil Code which will lead such agreements as invalid in the PRC Civil Code; and

- (g) the VIE Agreements (a) are not and will not be in violation of mandatory PRC laws and regulations currently in force, and are legally binding and enforceable on the parties to such agreements, except that the dispute resolution provisions of the Contractual Arrangements regarding the remedies that may be awarded by the arbitration tribunal and the power of offshore courts (including the courts in Hong Kong and Cayman Islands) to grant interim remedies in support of the arbitration may not be recognized or enforced by PRC courts, and (b) are and will be subject as to enforceability to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equity principles.

Consolidated Financial Results of the PRC Affiliated Entities

According to IFRS 10 – Consolidated Financial Statements, a subsidiary is an entity that is controlled by another entity (known as the parent). An investor controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Although the Company does not directly or indirectly own the controlling equity interests of PRC Affiliated Entities, the Contractual Arrangements will enable the Company to exercise control over the PRC Affiliated Entities.

Under the Exclusive Business Cooperation Agreement, Dream Star will pay service fees to the WFOE in consideration of the services provided by Dream Star. Such service fees, subject to the WFOE's adjustment, will be equal to total consolidated net profit of Dream Star (net of accumulated deficit of the PRC Affiliated Entities in the previous financial years (if any), costs, expenses, taxes and payments required by the applicable laws to be reserved or withheld). The WFOE may adjust the service scope and fees at its discretion. Accordingly, the WFOE will have the ability, at its sole discretion, to extract all of the economic benefit of Dream Star through the Exclusive Business Cooperation Agreement.

In addition, under the Exclusive Option Agreement and the Equity Pledge Agreement under the Contractual Arrangements, the WFOE will have absolute contractual control over the distribution of dividends or any other amounts to the equity holders of the PRC Affiliated Entities as the WFOE's prior written consent will be required before any distribution can be made. In the event that Mr. Li receives any profit distribution or dividend from the PRC Affiliated Entities, Mr. Li must immediately pay or transfer such amount to the Company.

As a result of the Contractual Arrangements, the Company will obtain control of the PRC Affiliated Entities through the WFOE and, at its sole discretion, will be able to receive all of the economic interest returns generated by the PRC Affiliated Entities. Accordingly, the PRC Affiliated Entities' results of operations, assets and liabilities, and cash flows will be consolidated into the Company's financial statements as if they were subsidiaries of the Company.

Risks Relating to Our Contractual Arrangements

Uncertainties exist with respect to the interpretation and implementation of the PRC laws and regulations and how it may impact the viability of the current corporate structure, corporate governance and business operations

As advised by the PRC legal adviser, there are uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC governmental authorities will not in the future take the view that is contrary to the above opinions of the PRC legal adviser. The PRC legal adviser has further advised that if the PRC government finds that the Contractual Arrangements do not comply with relevant ownership requirements, the Company may be subject to penalties, which could include:

- (a) revoking the business and operating licenses of the WFOE and the PRC Affiliated Entities;
- (b) restricting or prohibiting related party transactions between the WFOE and the PRC Affiliated Entities;
- (c) imposing fines or other requirements with which the Company, the Purchaser, the Target Company I, the WFOE and the PRC Affiliated Entities may find it difficult or impossible to comply; and
- (d) requesting the Company, the Purchaser, the Target Company I, the WFOE and the PRC Affiliated Entities to restructure the relevant ownership structure or operations.

The imposition of any of these penalties would result in a material and adverse effect on the Group's ability to conduct its business. If any of these penalties results in its inability to direct the activities of the PRC Affiliated Entities that most significantly impact their economic performance and/or its failure to receive the economic benefits from the PRC Affiliated Entities, the Company may not be able to consolidate the PRC Affiliated Entities into its consolidated financial statements in accordance with IFRS.

The Contractual Arrangements may not be as effective as direct ownership in providing operational control.

The Company has relied and expect to continue to rely on the Contractual Arrangements with the PRC Affiliated Entities and its shareholders to operate part of its business. The Contractual Arrangements may not be as effective as direct ownership in providing the Group with control over the PRC Affiliated Entities.

If the WFOE had direct ownership of the PRC Affiliated Entities, it would be able to exercise its rights as a shareholder to effect changes in the board of directors of such entity, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the Contractual Arrangements, the WFOE relies on the performance by the PRC Affiliated Entities and its shareholders of their obligations under the contracts to exercise control over the PRC Affiliated Entities. However, the shareholders of the PRC Affiliated Entities may not act in the best interests of the WFOE or may not perform its obligations under these contracts. Such risks exist throughout the period in which the WFOE intends to operate its business through the Contractual Arrangements with the PRC Affiliated Entities. The WFOE may replace the shareholders of the PRC Affiliated Entities at any time pursuant to the Contractual Arrangements with the PRC Affiliated Entities and its shareholders. However, if any dispute relating to these contracts remains unresolved, the WFOE will have to enforce its rights under these contracts through the operations of PRC law and courts and therefore will be subject to uncertainties in the PRC legal system. Therefore, the Contractual Arrangements with the PRC Affiliated Entities may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

The ultimate shareholders of the PRC Affiliated Entities may have conflicts of interest with the Company

Mr. Li and any subsequent registered shareholder(s) of Dream Star may have conflicts of interest with the Company. The Company relies on these individuals to abide by the laws of the Cayman Islands which impose fiduciary duties upon the Directors and officers of the Company. Such duties include the duty to act bona fide in what they consider to be in the best interest of the Company as a whole and not to place them in a position in which there is a conflict between their duties to the Company and their personal interests. On the other hand, PRC laws also provide that a director or a senior manager owes a loyalty and fiduciary duty to the company in which he or she holds such position. The Company cannot assure that when conflicts arise, Mr. Li will act in the best interest of the Company or that conflicts will be resolved in the Company's favor. These individuals may breach or cause the PRC Affiliated Entities to breach the Contractual Arrangements. If the Company cannot resolve any conflicts of interest or disputes between it and these shareholders, it would have to rely on legal proceedings, which may be expensive, time-consuming and disruptive to our operations. There is also substantial uncertainty as to the outcome of any such legal proceedings.

The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities.

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. The Company could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among its PRC subsidiaries and the PRC Affiliated Entities do not represent an arms-length price and adjust the PRC Affiliated Entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by the PRC Affiliated Entities, which could in turn increase their tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties to the PRC variable interest entities for under-paid taxes. The results of operations of the WFOE may be materially and adversely affected if its tax liabilities increase or if it was found to be subject to late payment fees or other penalties.

The Company does not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.

The insurance of the Group does not cover the risks relating to the Contractual Arrangements and the transactions thereunder and the Company has no intention to purchase any new insurance in this regard. If any risk arises from the Contractual Arrangements in the future, such as those affecting the enforceability of the VIE Agreements and the operation of Dream Star, the results 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 Contractual Arrangements.

Loss sharing and economic risks of the Company

Under PRC laws and regulations, the Company or the WFOE, are not expressly required to share the losses of the PRC Affiliated Entities or provide financial support to the PRC Affiliated Entities. None of the agreements constituting the Contractual Arrangements provide that the Company or the WFOE, are obligated to share the losses of the PRC Affiliated Entities or provide financial support to the PRC Affiliated Entities. Further, the PRC Affiliated Entities shall be solely liable for their own debts and losses with assets and properties owned by it.

Despite the foregoing, given that the PRC Affiliated Entities' financial condition and results of operations are consolidated into the Group's financial condition and results of operations under the applicable accounting principles, the Company's business, financial condition and results of operations would be adversely affected if the PRC Affiliated Entities suffer losses. However, due to the restrictive provisions contained in the Contractual Arrangements as disclosed in this announcement, the potential adverse effect on the WFOE and the Company in the event of any loss suffered from the PRC Affiliated Entities can be limited to a certain extent.

Directors' Views on the Contractual Arrangements

Based on the above, the Directors are of the view that the Contractual Arrangements are put in place to achieve Dream Star Group's business purpose and to minimize the potential conflicts with and are enforceable under the relevant PRC laws and regulations. The Contractual Arrangements have allowed the Group to exercise full control over Dream Star and consolidate the financial results of Dream Star into the accounts of the Group as if it were a subsidiary of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements are on normal commercial terms and will be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Dream Star Acquisition are more than 5% but are all less than 25%, the Dream Star Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Upon Dream Star Completion, Mr. Li will become a substantial Shareholder and thus connected person of the Company. As such, the Contractual Arrangements among the WFOE, Dream Star and the registered shareholder(s) of Dream Star following Dream Star Completion shall constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

The Company will publish the relevant announcement and comply with all applicable reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules.

As completion of the Sale and Purchase Agreement I and II are subject to the fulfilment and/or waiver of their respective conditions, the Dream Star Acquisition and/or the Yunlang Acquisition may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s). This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

“associates”	has the meaning ascribed in the Listing Rules;
“Board”	the board of Directors;
“Company”	Easou Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on February 9, 2022 and the Shares of which are listed on the Stock Exchange with stock code 2550;
“Contractual Arrangements”	the contractual arrangements among the WFOE, Dream Star and the registered shareholder(s) of Dream Star as governed by the VIE Agreements, through which the financial results of Dream Star are consolidated with the financial results of the Dream Star Group;
“Consideration Shares”	Consideration Shares I and Consideration Shares II;
“Consideration Shares I”	an aggregate of 68,000,000 new Shares to be allotted and issued by the Company to the Vendor I (or its nominee in accordance with the Sale and Purchase Agreement) at the Issue Price for full settlement of the consideration of the Dream Star Acquisition;

“Consideration Shares II”	an aggregate of 22,000,000 new Shares to be allotted and issued by the Company to the Vendor II (or its nominee in accordance with the Sale and Purchase Agreement II) at the Issue Price for full settlement of the consideration of the Yunlang Acquisition;
“Directors”	the director(s) of the Company;
“Dream Star Acquisition”	the acquisition of the Sale Shares I by the Purchaser from the Vendor I pursuant to the Sale and Purchase Agreement I;
“Dream Star Completion”	completion of the Dream Star Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement I;
“Dream Star Completion Date”	the fifth business day after the Dream Star Conditions have been fulfilled (or waived) or at such other time and/or place as the parties hereto may agree in writing;
“Dream Star Group”	the Target Company I, the WFOE and Dream Star;
“General Mandate”	the general mandate granted to the Directors to allot and issue up to 90,410,848 Shares by a resolution of the Shareholders passed at the extraordinary general meeting of the Company held on 9 March 2026;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Parties”	third parties independent of the Company and connected persons of the Company as defined under the Listing Rules;
“Independent Valuer”	Asia-Pacific Consulting and Appraisal Limited;
“Issue Price”	the issue price of HK\$1.804 per Consideration Share;
“Listing Committee”	the Listing Committee of the Stock Exchange;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Mr. Li”	Mr. Li Xiaoming (李曉明), the sole registered shareholder of Dream Star;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region and Taiwan;
“PRC Affiliated Entities”	Dream Star and all its subsidiaries (if any) and branches (if any);
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Sale and Purchase Agreement I”	the sale and purchase agreement dated 3 June 2026 entered into between the Purchaser, the Company and the Vendor I in respect of the Dream Star Acquisition;
“Sale and Purchase Agreement II”	the sale and purchase agreement dated 3 June 2026 entered into between the Purchaser, the Company and the Vendor II in respect of the Yunlang Acquisition;
“Sales Shares I”	the 10,000 shares of HK\$1.00 each in the share capital of the Target Company I legally and beneficially owned by the Vendor I, representing the entire issued share capital of the Target Company I as at the date hereof and as at the Dream Star Completion Date;
“Sales Shares II”	the 10,000 shares of HK\$1.00 each in the share capital of the Target Company II legally and beneficially owned by the Vendor II, representing the entire issued share capital of the Target Company II as at the date hereof and as at the Yunlang Completion Date;
“Share(s)”	ordinary share(s) with a nominal value of US\$0.00001 each in the share capital of the Company;

“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company I”	Yingke Internet (Hong Kong) Limited, a private limited company incorporated in Hong Kong, which is wholly owned by the Vendor I;
“Target Company II”	Yunlang Technology (HK) Limited, a private limited company incorporated in Hong Kong, which is wholly owned by the Vendor II;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Valuation Date”	31 December 2025;
“Vendor I”	Yingke Internet Ltd., a company incorporated in the British Virgin Islands, which is held as to 100% by Mr. Li Xiaoming;
“Vendor II”	Fortune Tiger LPF, a limited partnership fund registered in Hong Kong, which is held as to 99% by Mr. Zhang and 1% by Great Universe International Holding Co., Limited, a private company incorporated in Hong Kong, which is wholly owned by Mr. Tam Kin Keung;
“VIE Agreements”	collectively, (i) the Exclusive Business Cooperation Agreement dated 27 May 2026 entered into between the WFOE and Dream Star, (ii) the Exclusive Option Agreement dated 27 May 2026 entered into between the WFOE, Dream Star and Mr. Li, (iii) the Equity Pledge Agreement dated 27 May 2026 entered into between the WFOE, Dream Star and Mr. Li, and (iv) the Proxy Agreement dated 27 May 2026 entered into between the WFOE, Dream Star and Mr. Li;
“WFOE”	Shenzhen Mengzhizhou Technology Co., Ltd.* (深圳夢之舟科技有限公司), a wholly foreign-owned enterprise established in the PRC which is wholly owned by the Target Company I;

“Yunlang”	Shenzhen Yunlang Network Technology Co., Ltd.* (深圳市雲朗網絡科技有限公司), a company incorporated in the PRC with limited liability;
“Yunlang Acquisition”	the acquisition of the Sale Shares II by the Purchaser from the Vendor II pursuant to the Sale and Purchase Agreement II;
“Yunlang Completion”	completion of the Yunlang Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement II;
“Yunlang Completion Date”	the fifth business day after the Yunlang Conditions have been fulfilled (or waived) or at such other time and/or place as the parties hereto may agree in writing;
“Yunlang Group”	the Target Company II and Yunlang; and
“%”	per cent.

By order of the Board
Easou Technology Holdings Limited
Wang Xi
Chairman and Executive Director

Hong Kong, 3 June 2026

As at the date of this announcement, the Board comprises Mr. Wang Xi, Mr. Chen Jun and Mr. Zhao Lei as executive Directors; and Mr. Zhu Jianfeng, Mr. An Yingchuan and Ms. Meng Xue as independent non-executive Directors.