THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yeebo (International Holdings) Limited (the "Company"), you should at once hand this circular and form of proxy accompanies herewith to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

CONNECTED AND DISCLOSEABLE TRANSACTION – ACQUISITION OF TARGET COMPANY AND NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

BALLAS CAPITAL

A subsidiary of Crosby

A letter from the Board is set out on pages 5 to 16 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 17 of this circular. A letter from Ballas Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 35 of this circular.

A notice convening the SGM to be held at Huashan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 12 May 2025 at 11:00 a.m. is set out on pages 41 to 42 of this circular. A form of proxy for use at the SGM is also accompanied herewith. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at https://www.yeebo.com.hk.

Shareholders should note that the SGM will be held as scheduled when tropical cyclone signal no. 8 (or above) or black rainstorm warning or "extreme conditions" as defined under Chapter 1 of the Rules of the Exchange of The Stock Exchange of Hong Kong Limited is in force. In such event, Shareholders should make their own decision as to whether they would attend the SGM under bad weather conditions bearing in mind their own situations and if they should choose to do so, they are advised to exercise care and caution.

Whether or not you are able to attend the SGM, please complete the accompanying form of proxy in accordance with the instructions thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the SGM or any adjournment or postponement thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment or postponement thereof should you so wish.

23 April 2025

CONTENTS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Acquisition"	the proposed acquisition of the Target Company pursuant to the Share Transfer Agreement
"AI"	artificial intelligence
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of the Directors
"Business Day(s)"	any day(s) on which banks in Hong Kong are open to conduct business generally throughout their normal business hours, excluding a Saturday, Sunday, public holidays and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is in force in Hong Kong at any time between 09:00 and 17:00
"China" or "PRC"	the People's Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to "China" and the "PRC" do not apply to Hong Kong, Macau Special Administrative Region and Taiwan, China
"Company"	Yeebo (International Holdings) Limited (億都(國際控股)有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 259)
"Completion"	completion of the sale and purchase of the Sale Shares under the Share Transfer Agreement
"Completion Date"	third Business Day after all conditions in the section headed "The Share Transfer Agreement – Conditions Precedent" in this circular are fulfilled or waived (where applicable) or such other date as the parties may agree in writing
"connected person(s)"	has the meanings ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee of the Company comprising all independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder
"Independent Financial Adviser" or "Ballas Capital"	Ballas Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder
"Independent Shareholder(s)"	the Shareholder(s) who do not have material interest in the transactions contemplated under the Share Transfer Agreement
"Latest Practicable Date"	16 April 2025, being the latest practicable date prior to the dissemination of this circular, for ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 May 2025, or such later date as the Purchaser and the Vendor may agree in writing
"Mr. FANG"	Mr. Fang Yan Tak, Douglas, an executive Director and the Chairman of the Board
"PRC Invested Entity"	雲合智網(上海)技術有限公司, a company established in the PRC with limited liability

"PRC Subscription Agreement"	the agreement dated 15 December 2024 entered into among, among others, the WFOE and the PRC Invested Entity, in relation to the Subscription
"Purchaser"	Suanova Technology Limited 香港算豐信息有限公司, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	10,000 shares of the Target Company, representing 100% of the total issued share capital of the Target Company
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held for the Shareholders to consider, and if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder, or any adjournment or postponement thereof
"Share(s)"	the share(s) of the Company
"Share Transfer Agreement"	the share transfer agreement dated 20 March 2025 entered into between the Purchaser and the Vendor in relation to the Acquisition
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the WFOE's subscription for approximately 3.34% of the equity interest in the PRC Invested Entity at a consideration of RMB100,000,000 (equivalent to approximately HK$107,000,000)
"subsidiary"	any entity within the meaning of the term "subsidiary" as defined in the Listing Rules and the term "subsidiaries" shall be construed accordingly
"Target Company"	Suanova Smartmodel Limited 算豐智模有限公司, a company incorporated in Hong Kong with limited liability, which is owned as to 100% by the Vendor as at the Latest Practicable Date

"Target Group"	the Target Company and the WFOE, collectively
"Vendor"	GLOBAL VAST LIMITED, a company incorporated in Hong Kong with limited liability, which is directly wholly-owned by Mr. FANG
"WFOE"	上海雲算合豐信息有限公司, a wholly foreign owned enterprise established in the PRC, which is owned as to 100% by the Target Company as at the Latest Practicable Date
"%"	per cent

For the purposes of this circular, the exchange rate of RMB1.00 = HK$1.07 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes only and does not constitute representations that any amount in RMB or HK$ has been, could have been or may be converted at such a rate.

YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

Executive Directors:
FANG Yan Tak, Douglas *(Chairperson)*
LI Kwok Wai, Frankie
LEUNG Tze Kuen
CHEUNG Wai Man

Independent non-executive Directors:
Mr. CHU Chi Wai, Allan
Mr. LAU Yuen Sun, Adrian
Professor LAU Kei May

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Principal place of business in Hong Kong:
7th Floor
On Dak Industrial Building
2-6 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

23 April 2025

To the Shareholders

Dear Sir or Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION –
ACQUISITION OF TARGET COMPANY
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Acquisition of Target Company

Reference is made to the announcement of the Company dated 20 March 2025 in relation to the Share Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares which represent 100% of the total issued share capital of the Target Company at the consideration of HK$1.

The purposes of this circular are:

(i) to provide the Shareholders with further information regarding the details of the Share Transfer Agreement and the transactions contemplated thereunder;

(ii) to set out the recommendation of the Independent Board Committee to the Shareholders and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Transfer Agreement and the transactions contemplated thereunder; and

(iii) to give the Shareholders other information in accordance with the requirements of the Listing Rules.

The notice of SGM is accompanied herewith as part of this circular.

THE SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are set forth below.

Date

20 March 2025 (after trading hours)

Parties

Vendor:	GLOBAL VAST LIMITED
Purchaser:	Suanova Technology Limited 香港算豐信息有限公司

Subject Matter of the Acquisition

The Sale Shares, namely 10,000 shares of the Target Company, representing 100% of the total issued share capital of the Target Company.

The Share Transfer Agreement does not provide for (i) any guarantee of the profits or net tangible assets or other matters regarding the financial performance of the Target Company provided by Mr. FANG; nor (ii) any option granted to the Group to sell the Target Company back to Mr. FANG and/or other rights given to the Group.

Consideration

The consideration is HK$1, payable in cash, which shall be paid by the Purchaser on the Completion Date.

Conditions Precedent

The completion of the transactions contemplated under the Share Transfer Agreement is conditional upon the satisfaction and/or waiver (as applicable) of the following conditions:

(i) *Availability of control on completion:* A resolution of the board of directors and shareholders (where required) of the Target Company having been passed approving the execution of and transactions contemplated under the Share Transfer Agreement, including but not limited to the registration of the transfer of the Sale Shares to the Purchaser or its nominee upon due presentation;

(ii) *Consents and approvals:* All necessary authorisations, consents, licences, agreements, approvals or permissions of any kind of, from or by third parties and/or government or regulatory authorities required for the parties for execution and performance of the Share Transfer Agreement and implementation of transactions contemplated thereunder having been obtained;

(iii) *Representations and warranties:* The representations, warranties and/or undertakings given by the respective party under the Share Transfer Agreement shall remain true, accurate and not misleading;

(iv) *No material adverse change:* There being no material adverse change in the principal business, operations, properties, conditions (financial or otherwise), personnel or prospects of the Target Group nor events which may have a material adverse effect thereon; and

(v) *Shareholders' approval:* The Independent Shareholders having approved the entering into and the performance of the Share Transfer Agreement and the transactions contemplated thereunder in accordance with the requirement of the Listing Rules.

The above conditions shall be satisfied or waived on or before the Long Stop Date.

The conditions under (i) and (iv) may be waived by the Purchaser in writing to the Vendor. The conditions under (ii) and (iii) may be waived by mutual written consent of the Vendor and the Purchaser. The condition under (v) cannot be waived by any party.

If any of the conditions is not satisfied or waived on or before the Long Stop Date, (i) the Share Transfer Agreement shall be null and void and be of no effect (save for certain clauses as specified in the Share Transfer Agreement); and (ii) neither the Purchaser nor the Vendor shall have any liability and obligation to each other save for any antecedent breach as agreed among them in connection with the Acquisition.

The resolution of the board of directors and shareholders (where required) of the Target Company approving the execution of and transactions contemplated under the Share Transfer Agreement as required under condition (i) shall be delivered to the Purchaser upon Completion.

As at the Latest Practicable Date, save that Independent Shareholders' approval is to be obtained at the SGM, all consents and approvals required under condition (ii) have been obtained.

The Group did not have any current intention to waive any of the conditions precedent.

As at the Latest Practicable Date, (i) no conditions precedent have been waived; and (ii) the Group is not aware of any circumstances or facts that would prevent the conditions under (iii) and (iv) from being satisfied.

Completion

Completion shall take place on the Completion Date.

INFORMATION ON THE TARGET GROUP, THE PRC INVESTED ENTITY AND THE PARTIES

The Target Company

The Target Company is a company limited by shares incorporated in Hong Kong on 8 May 2024 with an issued share capital of HK$10,000. The Target Company is principally engaged in investment holding. As at the Latest Practicable Date, the only investment held by the Target Company is the entire registered capital of the WFOE, which has not been paid up.

Based on the information known to the Company, neither the WFOE nor the equity interest in the PRC Invested Entity held by the WFOE is held or controlled through a variable interest entity structure.

The WFOE

The WFOE is a limited liability company established in the PRC on 19 September 2024. The WFOE is principally engaged in investment holding.

On 15 December 2024, the WFOE entered into the PRC Subscription Agreement with, among others, the PRC Invested Entity to subscribe for approximately 3.34% of the equity interest in the PRC Invested Entity (as enlarged by the total subscription under the PRC Subscription Agreement) at a consideration of RMB100,000,000 (equivalent to approximately HK$107,000,000). There is no lock-up arrangement under the PRC Subscription Agreement.

As at the Latest Practicable Date, (i) save for the PRC Subscription Agreement, the WFOE does not hold any other investment; and (ii) the WFOE has not yet made any payment for its capital commitment of RMB100,000,000 (equivalent to approximately HK$107,000,000) to the PRC Invested Entity and the WFOE is not entitled to any shareholder's right in the PRC Invested Entity until the capital commitment of RMB100,000,000 (equivalent to approximately HK$107,000,000) is fully paid up.

Upon completion of the Acquisition and the payment of the capital commitment of RMB100,000,000 (equivalent to approximately HK$107,000,000), the WFOE's interest in the PRC Invested Entity will be recognised as a financial asset at fair value through profit or loss ("**FVTPL**") in the Group's consolidated financial statements. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

The PRC Invested Entity

Based on information provided by the PRC Invested Entity, the PRC Invested Entity is a limited liability company established in the PRC in November 2020 and is principally engaged in the design, development and sale of high-end intelligent network switch chips and offers reliable and cost-effective network infrastructure solutions and products such as cloud-native software and operating system. The PRC Invested Entity's products are primarily positioned in the PRC domestic high-end switch chip market, covering the entire product line.

Financial Information of the Target Group

Based on the Target Company's unaudited financial statements prepared in accordance with Hong Kong accounting standard for the period from 8 May 2024 (its date of incorporation) to 31 December 2024, the Target Company's net losses (both before taxation and after taxation) are approximately HK$15,000, and the unaudited net liability of the Target Company as at 31 December 2024 was approximately HK$5,000.

Relevant financial information of the WFOE is unavailable as the WFOE was only established in September 2024 and has not commenced business since its establishment.

Financial Information of the PRC Invested Entity

Based on the information provided by the PRC Invested Entity, as at 31 December 2024, the shareholders' equity of the PRC Invested Entity was approximately RMB611 million.

Based on the information provided by the PRC Invested Entity, the net losses (before and after taxation) of the PRC Invested Entity for the years ended 31 December 2024 and 2023 were as follows:

	For the year ended 31 December 2024	**For the year ended 31 December 2023**
	RMB'000	*RMB'000*
Loss before taxation	397,000	339,000
Loss after taxation	397,000	339,000

The Vendor

Based on information provided by the Vendor, the Vendor is principally engaged in investment holding.

The Company and the Group

The Company is principally engaged in investment holding, and the Group is principally engaged in (i) the manufacture and sale of liquid crystal displays (LCDs), LCD modules (LCMs), Thin Film Transistor modules (TFT) and Capacitive Touch Panel modules (CTP) and (ii) providing AI compute and related services.

The Purchaser

The Purchaser is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

BASIS OF THE CONSIDERATION FOR THE ACQUISITION

The consideration of the Acquisition represents a nominal value of HK$1 as the Target Company had a net liability (being approximately HK$5,000) as at 31 December 2024 and the equity interest in and of the WFOE, its only investment, has not yet been paid up.

The Vendor acquired the Sale Shares from the Group on 27 November 2024. The original acquisition cost of the Sale Shares to the Vendor was HK$10,000. Please also refer to the section headed "REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE SUBSCRIPTION" below for details.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE SUBSCRIPTION

The Acquisition & the Subscription as a Valuable Opportunity to Further Tap into AI Market

Since June 2023, the Group has undergone an expansion into AI compute and related businesses, offering significant growth opportunities.

In or about April 2024, the Company through Mr. FANG became acquainted with the PRC Invested Entity which was then contemplating a fundraising. At the same time when the Company was conducting its assessment on the feasibility of investment in the PRC Invested Entity, the Company, as a preparatory step, set up the Target Company and the WFOE as its indirect wholly-owned subsidiaries as the potential investment holding vehicles to carry out the potential investment where appropriate. The feasibility assessment conducted by the Company covered the analysis of the PRC Invested Entity's business, prospects of the AI sector of the PRC, the potential synergies between the Group and the PRC Invested Entity, as well as the financial position of the Group, further details of which are set out below.

The Company was still in the midst of the feasibility assessment when the PRC Invested Entity's fundraising was about to close, having considered the then financial position of the Group, in particular, that the Group only had approximately HK$138.3 million cash and cash equivalents as at 30 September 2024, the Board decided not to enter into the PRC Subscription Agreement in late 2024. Mr. FANG, who recognised potential in the business of the PRC

Invested Entity, personally offered to first acquire (via the Vendor) the Target Company (holding the WFOE) from the Company at HK$10,000, and then indirectly through the WFOE enter into the PRC Subscription Agreement with the PRC Invested Entity and take up the capital commitment of RMB100,000,000 (equivalent to approximately HK$107,000,000) in December 2024. Since the Company had already set up the corporate structure of the Target Company holding the WFOE, with the WFOE serving as the intended vehicle to hold the investment in the PRC Invested Entity, to avoid additional administrative time and cost and taking into account that the Group may buy back the Target Group from Mr. FANG in the future at an appropriate time and the PRC Invested Entity's fundraising was about to close at that time, the Group disposed of the Target Group to Mr. FANG in November 2024 so that Mr. FANG could enter into the PRC Subscription Agreement through the Target Group. Mr. FANG has indicated that he would be willing to transfer the Target Group (together with its investment in the PRC Invested Entity) back to the Group if the Board later decides it is appropriate timing to proceed with such potential investment in the PRC Invested Entity through the Target Group.

The Board sees potential in the PRC Invested Entity's business as an upstream company in the AI compute business, supplying critical hardware and products, and views the Acquisition as a valuable opportunity to bring in future capital income. As disclosed in the section headed "Chairman's Statement" in the Company's annual report for the year ended 31 March 2024, the Group acquired a small minority stake in a private graphics processing unit chips company in June 2023. This investment not only bolstered the Group's technical expertise but also solidified its commitment to the AI compute market. Over the past 12 months, the Group has undergone a dynamic transformation with a focus on high-growth emerging sectors, specifically AI and AI compute power. The Group currently operates three artificial AI data centres ("**AIDC**"). The revenue generated from the AIDC and related services for the six months ended 30 September 2024 was approximately HK$37 million, as disclosed in the Company's interim report for the 6 months ended 30 September 2024. Further, the Group, positioned as a key midstream player in the AI compute value chain, anticipates and remains open to exploring more in-depth and long-term cooperation with the PRC Invested Entity to create synergies and further integrate the Group's capabilities and capitalise on evolving AI compute market opportunities. Leveraging its positioning and strategic alliance, the Group is actively bringing many great potential companies and people in their respective fields, across both hardware and software, to build a distinctive and cost-effective ecosystem. In view of the aforesaid, the Group believes that a strategic investment in the PRC Invested Entity will solidify its commitment to the AI compute business. The Acquisition is expected to enable the Group to further tap into the rapidly growing AI market and generate a satisfactory return for the Group. In particular, in the rapidly evolving AI industry, switch chips form a critical and integral part in the development of high-performance hardware and software solutions in AIDC arena. Through the Subscription, the Group could develop a strategic relationship with the PRC Invested Entity to explore future in-depth cooperation opportunities of designing and deploying cutting-edge switch chips for the AIDC of the Group.

Fairness and Reasonableness of the Acquisition and the Subscription

Given the PRC Invested Entity is still in the startup and pre-seed stage before starting to generate any profit, the consideration for Subscription was set by the PRC Invested Entity for that round of fundraising based on its funding need and the number of interested investors. The said round of fundraising attracted a total of 14 subscribers (being the WFOE and 13 other independent investors, comprising reputable technology companies involving in digital payment platform, AI and data analytics, financial institutions and venture capital funds) who together committed to contribute a total of RMB990 million to the PRC Invested Entity, all of whom agreed to invest into the PRC Invested Entity at the same valuation.

According to the information provided by the PRC Invested Entity, the proceeds from the fundraising contemplated under the PRC Subscription Agreement shall be used for the PRC Invested Entity's business expansion (including but not limited to external investments), scientific research and development, market sales, and general corporate operating expenses.

To the best of the Company's knowledge, the valuation of the PRC Invested Entity as well as other terms of the PRC Subscription Agreement were agreed among the PRC Invested Entity and the core leading investors, which are independent third party professional investors including reputable venture capital and tech giants, and therefore is a reflection of the fair value of the PRC Invested Entity perceived by the market and industry players. Considering the prospects of the PRC Invested Entity's business and the AI industry, and that the Subscription represents an opportunity for the Target Group to partner with tech giants, the Target Group took the view that the predetermined valuation of the PRC Invested Entity is fair and reasonable and the Subscription would be in the interest of the Target Group as a whole. On the other hand, the Target Group, as a minority investor, was only in the position to assess whether to participate in the fundraising on terms contemplated under the PRC Subscription Agreement based on such predetermined valuation, and whether the subscription amount of RMB100 million is fair and reasonable insofar as the Target Group is concerned. In this connection, the Target Group considered that the Subscription, which would enable the Target Group to subscribe for the proportional interest in the PRC Invested Entity based on the Subscription amount of RMB100 million and a fair and reasonable predetermined valuation, to be fair and reasonable insofar as the Target Group is concerned.

In assessing whether the Subscription including the consideration of RMB100 million in return of 3.34% of the equity interest in the PRC Invested Entity as enlarged by the total subscription under the PRC Subscription Agreement is fair and reasonable, the Board has given a complete and holistic assessment on the business of the PRC Invested Entity including, the prospects of the PRC Invested Entity as well as the AI industry, the management team as well as the background of other investors of the PRC Invested Entity, the synergy among the Group, the PRC Invested Entity and other investors thereof that may be brought about by the Subscription.

In light of the above, and in particular after taking into consideration the prospects of the PRC Invested Entity and the rapidly growing AI industry, as well as the reputation of the other investors of the PRC Invested Entity which include tech giants, the Board took the view that the valuation of the PRC Invested Entity, as reflected by the willingness of the investors under the PRC Subscription Agreement to contribute a total of RMB990 million, is fair and reasonable, whereas the net asset value and the past operating results of the PRC Invested Entity are not deciding factors, especially given the PRC Invested Entity will not be consolidated into the consolidated financial statements of the Group upon completion of the Acquisition by the Group and/or completion of the Subscription by the WFOE. Please also refer to the paragraph headed "Financial Information of the PRC Invested Entity" under the section headed "Information on the Target Group, the PRC Invested Entity and the Parties".

Moreover, as stated in the letter from the Independent Financial Adviser as set out in this circular, in determining the implied valuation of the PRC Invested Entity, the Independent Financial Adviser had considered three widely accepted approaches, namely the market approach, cost approach and income approach and noted that (i) the PRC Invested Entity is a start-up which does not yet have a proven track record of revenue or profit, making it challenging to apply the income approach effectively, (ii) the cost approach does not directly account for the economic benefits contributed by the PRC Invested Entity's business, making it less suitable for capturing the entity's true value; and hence the Independent Financial Adviser adopted the market approach which provides a more objective valuation by utilising publicly available data. Under the market approach, the Independent Financial Adviser analysed prices recently paid for similar assets, adjusting for differences in condition and utility relative to comparable market assets, hence the PRC Invested Entity's past operating performance or asset value are less relevant in its valuation analysis and the PRC Invested Entity's past financial information does not reflect its future business prospect, as the PRC Invested Entity is still in the early development stage.

After taking into account (i) the receipt of net proceeds of approximately HK$2.2 billion from the disposal of 127,578,590 shares in Nantong Jianghai Capacitor Co., Ltd. in January 2025 (as disclosed in the Company's announcement dated 13 January 2025), and (ii) the payment of a special dividend of approximately HK$1.7 billion in February 2025 (as disclosed in the Company's announcement dated 22 January 2025), the Board considers that the Group has sufficient cash to pay for the capital commitment of the Subscription and such payment will not have material adverse impact on the financial position and operations of the Group, and hence it is an appropriate time to apply the proceeds to invest in the PRC Invested Entity through the acquisition of the Target Group. Subject to Completion, the Group expects to apply its internal resources to fully pay up the capital commitment for the Subscription by mid to late May 2025.

On the other hand, Mr. FANG agreed to dispose of the Target Group to the Group because he, as a Director, considers it in the interest of the Company to do so, and Mr. FANG could still benefit from the Subscription through his indirect interest in the Company through Fang Brothers Holdings Limited and Antrix Investment Limited after the Acquisition. In any event, Mr. FANG, as a Director, owes fiduciary duty to the Company and he may only take up the investment opportunity when the Group does not pursue such investment opportunity.

Based on the factors as described in the section headed "The Share Transfer Agreement – Basis of the Consideration for the Acquisition" and the reasons and benefits stated above, the Directors (other than the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) are of the view that the terms of the Share Transfer Agreement, the Acquisition and the Subscription are 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 in relation to the Acquisition (in the case of the consideration ratio, being the aggregate of the consideration for the Acquisition and the capital commitment for the Subscription) exceed 5% but are all less than 25%, the entering into of the Share Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Further, as at the Latest Practicable Date, the Vendor is directly wholly-owned by Mr. FANG, who is an executive Director, and hence, the Vendor is an associate of Mr. FANG and a connected person of the Company. Accordingly, the entering into of the Share Transfer Agreement and the transactions contemplated thereunder also constitute a non-exempt connected transaction of the Company and are subject to the circular (including independent financial advice) and Shareholders' approval requirements under Rule 14A.76(2)(a) of the Listing Rules and the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Save for Mr. FANG who is considered to be interested in the Share Transfer Agreement and the Acquisition contemplated thereunder and has abstained from voting on the board resolution approving the Share Transfer Agreement and the Acquisition contemplated thereunder, no other Directors are required to abstain from voting on the board resolution approving the Share Transfer Agreement and the Acquisition contemplated thereunder.

An Independent Board Committee has been established to advise the Independent Shareholders on the Share Transfer Agreement and the transactions contemplated thereunder. The Company has appointed Ballas Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Share Transfer Agreement and the transactions thereunder and its associate(s) must abstain from voting on the relevant resolution(s) at the SGM. As at the Latest Practicable Date, (i) Fang Brothers Holdings Limited, a company 100% controlled by Mr. FANG and his family members collectively, indirectly owned 66.67% of the issued shares of Antrix Investment Limited which in turn held 570,000,000 Shares (representing approximately 61.07% of the issued Shares); and (ii) Mr. FANG did not directly or indirectly hold any Shares save for his indirect interest via Antrix Investment Limited as set out in (i). Accordingly, Antrix Investment Limited is an associate of Mr. FANG and hence is required to abstain from voting on the resolution(s) in respect of the Share Transfer Agreement and the transactions contemplated thereunder to be put forward at the SGM.

Save as disclosed in this circular, the Directors are not aware of any Shareholders who are required to abstain from voting on the resolution(s) in respect of the Share Transfer Agreement and the transactions contemplated thereunder to be put forward at the SGM.

SGM

The Company will convene the SGM at Huashan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 12 May 2025 at 11:00 a.m., at which resolution(s) will be proposed for the purposes of considering and, if thought fit, approving the Share Transfer Agreement and the transactions contemplated thereunder. The notice of the SGM is set out on pages 41 and 42 of this circular.

A form of proxy for use at the SGM is accompanied herewith. Whether or not you are able to attend the SGM or any adjournment or postponement thereof (as the case may be) in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment or postponement thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjourned or postponed meeting should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll. Accordingly, the resolution to be considered and, if thought fit, approved at the SGM will be voted by way of poll by the Independent Shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7 May 2025 to Monday, 12 May 2025, both days inclusive, to determine the identity of the shareholders who are entitled to attend and vote at the SGM to be held on Monday, 12 May 2025. In order to qualify for attending and voting at the SGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 6 May 2025.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 17 of this circular which contains the recommendation of the Independent Board Committee to the Shareholders regarding the resolutions to approve the Share Transfer Agreement and the transactions contemplated thereunder; (ii) the letter from Ballas Capital, the Independent Financial Adviser, set out on pages 18 to 35 of this circular which contains its advice (together with the principal factors and reasons considered in arriving at such advice) to the Independent Board Committee and the Shareholders in respect of the fairness and reasonableness of the Share Transfer Agreement and the transactions contemplated thereunder; and (iii) additional information set out in the appendix to this circular.

The Independent Board Committee, having taken into account the advice (together with the principal factors and reasons considered in arriving at such advice) of Ballas Capital, the Independent Financial Adviser, considers that although the Share Transfer Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms thereof are fair and reasonable, on normal commercial terms or better and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in respect of the Share Transfer Agreement and the transactions contemplated thereunder.

The Board considers that although the Share Transfer Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms thereof are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of the ordinary resolution to be proposed at the SGM in respect of the Share Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Board
Fang Yan Tak, Douglas
Chairman

YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

23 April 2025

To the Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION – ACQUISITION OF TARGET COMPANY

We refer to the circular of the Company dated 23 April 2025 (the "**Circular**") to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings in this letter unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board and the letter of advice from the Independent Financial Adviser set out on pages 5 to 16 and pages 18 to 35 of the Circular respectively.

Having taken into account the advice (together with the principal factors and reasons considered in arriving at such advice) of Ballas Capital, the Independent Financial Adviser, we consider that although the Share Transfer Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms thereof are fair and reasonable, on normal commercial terms or better and are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM in respect of the Share Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
CHU Chi Wai, Allan,
LAU Yuen Sun, Adrian and
LAU Kei May
Independent Board Committee

BALLAS
CAPITAL
A subsidiary of Crosby

5/F, Capital Centre
151 Gloucester Road
Wan Chai, Hong Kong

23 April 2025

To the Independent Board Committee and
the Independent Shareholders

Dear Sir or Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION
IN RELATION TO
ACQUISITION OF TARGET COMPANY**

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company (the "**Circular**") to the Shareholders dated 23 April 2025, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 20 March 2025 (after trading hours), the Purchaser and the Vendor entered into the Share Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares which represent 100% of the total issued share capital of the Target Company at the consideration of HK$1.

As at the Latest Practicable Date, the Vendor is directly wholly-owned by Mr. FANG, who is an executive Director, and hence, the Vendor is an associate of Mr. FANG and a connected person of the Company under the Listing Rules. Accordingly, the Share Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in relation to the Acquisition (in the case of the consideration ratio, being the aggregate of the consideration for the Acquisition and the capital commitment for the Subscription) exceed 5% but are all less than 25%, the entering into of the Share Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and a non-exempt connected transaction under Chapter 14A of the Listing Rules. Therefore, the Acquisition is subject to the reporting and announcement requirements under Chapter 14 and the reporting, announcement and the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders with respect to the Acquisition.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the counterparty of the Acquisition or their respective core connected persons or associates. In the two years immediately preceding the Latest Practicable Date, we did not have any other relationship with or interests in the Company, the counterparty of the Acquisition or their respective core connected persons or associates nor had we acted as an independent financial adviser to other transactions of the Company that could reasonably be regarded as hindrance to our independence as defined under the Listing Rules. Accordingly, we consider we are eligible to give independent advice on the terms of the Acquisition.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in a responsibility statement set out in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, the Target Company, the PRC Invested Entity or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Background and principal terms of the Acquisition

1.1. Background of the Acquisition

As set out in the announcement of the Company dated 20 March 2025, the Purchaser and the Vendor entered into the Share Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, which represent 100% of the total issued share capital of the Target Company at the consideration of HK$1.

The Target Company is a company limited by shares incorporated in Hong Kong on 8 May 2024 with an issued share capital of HK$10,000. The Target Company is principally engaged in investment holding. As at the Latest Practicable Date, the only investment held by the Target Company is the entire registered capital of the WFOE, which has not been paid up.

The WFOE is a limited liability company established in the PRC on 19 September 2024. The WFOE is principally engaged in investment holding.

On 15 December 2024, the WFOE entered into the PRC Subscription Agreement with, among others, the PRC Invested Entity to subscribe for approximately 3.34% of the equity interest in the PRC Invested Entity at a consideration of RMB100,000,000 (equivalent to approximately HK$107,000,000) (i.e. the Subscription). Given the PRC Invested Entity is still in the startup and pre-seed stage before starting to generate any profit, the consideration for Subscription was set by the PRC Invested Entity for that round of fundraising based on its funding need and the number of interested investors. The said round of fundraising attracted a total of 14 subscribers (being the WFOE and 13 other independent investors, comprising reputable technology companies involving in digital payment platform, artificial intelligence and data analytics, financial institutions and venture capital funds) who together committed to contribute a total of RMB990 million to the PRC Invested Entity, all of whom agreed to invest into the PRC Invested Entity at the same valuation.

Subject to Completion, the Group will be responsible for the payment of the Subscription and expects to apply its internal resources to fully pay up the capital commitment for the Subscription by mid to late May 2025.

1.2. Principal terms of the Share Purchase Agreement

Date

20 March 2025 (after trading hours)

Parties

Vendor: GLOBAL VAST LIMITED
Purchaser: Suanova Technology Limited 香港算豐信息有限公司

Subject matter of the Acquisition

The Sale Shares, namely 10,000 shares of the Target Company, representing 100% of the total issued share capital of the Target Company.

Consideration

The consideration is HK$1, payable in cash, which shall be paid by the Purchaser on the Completion Date.

Conditions precedent

Completion is conditional upon the satisfaction or, if applicable, waiver of the conditions set out in the section headed "Conditions Precedent" in the Letter from the Board.

Completion

Completion shall take place on the Completion Date.

2. Information of the Company, the Purchaser and the Vendor

2.1. The Company

The Company is principally engaged in investment holding, and the Group is principally engaged in (i) the manufacture and sale of liquid crystal displays (LCDs), LCD modules, Thin Film Transistor modules and Capacitive Touch Panel modules and (ii) providing AI compute and related services.

2.2. The Purchaser

The Purchaser is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

2.3. The Vendor

Based on information provided by the Vendor, the Vendor is principally engaged in investment holding. The Vendor is directly wholly-owned by Mr. FANG, who is an executive Director.

3. Information of the Target Company and the PRC Invested Entity

3.1. Background information of the Target Company

The Target Company is a company limited by shares incorporated in Hong Kong on 8 May 2024 with an issued share capital of HK$10,000. The Target Company is principally engaged in investment holding. As at the Latest Practicable Date, the only investment held by the Target Company is the entire registered capital of the WFOE, which has not been paid up.

The WFOE is a limited liability company established in the PRC on 19 September 2024. The WFOE is principally engaged in investment holding.

On 15 December 2024, the WFOE entered into the PRC Subscription Agreement with, among others, the PRC Invested Entity to subscribe for approximately 3.34% of the equity interest in the PRC Invested Entity (as enlarged by the total subscription under the PRC Subscription Agreement) at a consideration of RMB100,000,000 (equivalent to approximately HK$107,000,000) (i.e. the Subscription). The said round of fundraising attracted a total of 14 subscribers (being the WFOE and 13 other independent investors, comprising reputable technology companies involving in digital payment platform, artificial intelligence and data analytics, financial institutions and venture capital funds), all of whom agreed to invest into the PRC Invested Entity at the same valuation. The consideration for the Subscription of RMB100 million is determined based on the funding requirements of the PRC Invested Entity with reference to the agreed valuation for all independent investors in this fundraising round, ensuring that the terms were not preferential but standardised across all investors of this fundraising round.

The subscriptions by the 14 investors under the PRC Subscription Agreement is not inter-conditional. There is no lock-up arrangement under the PRC Subscription Agreement.

3.2. Financial information of the Target Group

Based on the Target Company's unaudited financial statements prepared in accordance with Hong Kong accounting standard for the period from 8 May 2024 (its date of incorporation) to 31 December 2024, the Target Company's net losses (both before taxation and after taxation) are approximately HK$15,000, and the unaudited net liability of the Target Company as at 31 December 2024 was approximately HK$5,000.

Relevant financial information of the WFOE is unavailable as the WFOE was only established in September 2024 and has not commenced business since its establishment.

3.3. The PRC Invested Entity

Based on information provided by the PRC Invested Entity, the PRC Invested Entity is a limited liability company established in the PRC in November 2020 and is principally engaged in the design, development and sale of high-end intelligent network switch chips and offers reliable and cost-effective network infrastructure solutions and products such as cloud-native software and operating system. The PRC Invested Entity's products are primarily positioned in the PRC domestic high-end switch chip market, covering the entire product line.

3.4. Financial information of the PRC Invested Entity

Based on the information provided by the PRC Invested Entity, (i) as at 31 December 2024, the shareholders' equity of the PRC Invested Entity was approximately RMB611 million; and (ii) during the years ended 31 December 2023 and 2024, the PRC Invested Entity recorded net loss before and after taxation of approximately RMB339 million and approximately RMB397 million respectively.

4. Reasons for and benefits of the Acquisition and the Subscription

The reasons for and benefits of the Acquisition and the Subscription are set out in the Letter from the Board. We noted that the Board sees potential in the PRC Invested Entity's business as an upstream company in the AI compute business, supplying critical hardware and products, and views the Acquisition as a valuable opportunity to bring in future capital income. Further, the Group, positioned as a key intermediary in the AI compute value chain, anticipates and remains open to exploring more in-depth and long-term cooperation with the PRC Invested Entity to create synergies and further integrate the Group's capabilities and capitalise on evolving AI compute market opportunities.

In respect of market outlook, China's AI sector is expected to grow by 40% year-on-year ("**YoY**") in 2025. According to the January 2025 report by iiMedia Research, China's AI industry has experienced rapid market expansion, growing robustly from 2019 to 2024. The sector reached RMB747 billion in 2024, reflecting a 41.0% YoY increase, and is projected to grow by 40% YoY to RMB1,046 billion in 2025, accounting for 20.9% of the global AI market share. The sector has enjoyed a high compound annual growth rate ("**CAGR**") of 40% in

2019-2024, and we believe the high growth momentum will continue in the next few years. Another recent study from China Center for Information Industry Development (中國電子信息產業發展研究院) showed that in 2023, the scale of China's core AI industry has reached RMB500 billion, and is expected to exceed RMB1.7 trillion by 2035, translating to a 2023-2035 CAGR of more than 11%. Given the growth opportunity in the China AI sector, we concur with the view of the Board that the Acquisition and the Subscription represent a strategic opportunity for the Group to tap into the rapidly growing AI market.

5. Our assessment on the consideration of the Acquisition

As set out in the Letter from the Board, the consideration of the Acquisition represents a nominal value of HK$1 as the Target Company had a net liability of approximately HK$5,000 as at 31 December 2024 and the equity interest in and of the WFOE, being its only investment, has not yet been paid up.

In assessing the fairness and reasonableness of the Acquisition, given that, subject to Completion, the Group will effectively be responsible for the payment of the Subscription, we consider that whether the consideration of the Acquisition is fair and reasonable will depend on whether the Subscription is also fair and reasonable and therefore we have compared the consideration of the Subscription of RMB100 million with the implied valuation of the PRC Invested Entity (the "**Implied Valuation**") as at the date of the Share Transfer Agreement (the "**Valuation Date**").

(i) Valuation methodology of the Implied Valuation

Based on information provided by the PRC Invested Entity, the PRC Invested Entity is a limited liability company established in the PRC in November 2020 and is principally engaged in the design, development and sale of high-end intelligent network switch chips and offers reliable and cost-effective network infrastructure solutions and products (the "**Investee Business**").

In determining the Implied Valuation, we considered three widely accepted approaches, namely the market approach, cost approach and income approach. The market approach involves analysing prices recently paid for similar assets, adjusting for differences in condition and utility relative to comparable market assets. The cost approach estimates the cost to reproduce or replace the assets in new condition, considering current market prices and adjusting for depreciation or obsolescence. The income approach converts expected periodic benefits of ownership into an indication of value.

However, there are substantial limitations to using the income approach for the Implied Valuation. The income approach requires detailed operational information and long-term financial projections with observable inputs, which are not readily available due to the entity's status as a start-up with a limited track record. As a result, any projections made would be highly speculative and unreliable. Moreover, the PRC Invested Entity is in its early stages and does not yet have a proven track record of revenue or profit, making it challenging to apply the income approach effectively.

Furthermore, the cost approach does not directly account for the economic benefits contributed by the PRC Invested Entity's business, making it less suitable for capturing the entity's true value. Given these constraints, we adopted the market approach, which provides a more objective valuation by utilising publicly available data.

Under the market approach, we initially considered identifying listed comparable companies principally engaged in the Investee Business to establish valuation multiples. We have identified 16 comparable companies (the "**Comparable Companies**") based on the following criteria: (i) they are principally engaged in design and development of AI related solutions, chips and networking products; (ii) 70% or more of its sales are derived within the PRC; and (iii) they are publicly listed in Hong Kong or the PRC. However, the unique characteristics of each of the listed Comparable Companies, including differences in development stages and target markets, render their market valuations less relevant for assessing the PRC Invested Entity as the PRC Invested Entity is still in its development stage and does not yet have a track record of revenue and is still in the fundraising stage in building up its assets base, thus making the ratios analysis approach, such as price-to-revenue or price-to-book multiples, inappropriate. We have also attempted to identify similar transactions involving start-up AI companies for benchmarking purposes; however, key information, such as the percentage of these start-up AI companies represented by subscription monies and the basis of these subscriptions, is not available, making benchmarking infeasible. For instance, we note the following news reports about investment transactions in start-up AI companies:

Safe Superintelligence ("**SSI**") raised new funding

- Date: 14 April 2025
- Investors: Greenoaks, Alphabet, Nvidia and others
- Details: SSI raised new round of funding just months after its founding. SSI is one of the most high-profile start-up companies in AI model research, due in large part to its founder's impressive track record in predicting the next major developments in AI

Silna Health raised US$27 million in funding

- Date: 26 March 2025
- Investors: Avenir Growth Capital, TMV, and others
- Details: Silna Health, a startup focused on improving postpartum care, secured US$27 million in funding. The company offers hybrid maternal care services combining telehealth and in-person visits to reduce maternal mortality and improve outcomes

Nexthop AI launched with US$110 million to build AI Networking Infrastructure

- Date: 25 March 2025

- Investors: Lightspeed Venture Partners, Kleiner Perkins, WestBridge Capital, Battery Ventures, Emergent Ventures

- Details: Nexthop AI emerged from stealth with US$110 million to build networking hardware and software tailored for AI infrastructure. The company targets hyperscalers with solutions that enhance AI model training efficiency

Upstart raised US$50 million investment

- Date: March 2025

- Investors: Progressive Investment Company, Healthcare of Ontario Pension Plan, First National Bank of Omaha

- Details: AI lending platform Upstart raised US$50 million and announced new partnerships with three banks. The funding will support the expansion of its white-labeled lending technology and AI underwriting system

Based on our best knowledge of public information, these start-up AI companies are still in their pre-revenue development stage and have yet to introduce groundbreaking products to the market. It is common market phenomenon for start-up AI companies to seek early funding to support their growth and development. Based on the above news reports, we note that, as a market practice, details such as investment amount by each investor, the percentage of each start-up AI company represented by these investments, and the basis of investment are not disclosed. We consider that the above investment transactions are determined on arm's length basis, based on the prospect and business potential of these start-up companies and in line with market practice.

In addition, we also consider that the PRC Invested Entity's past operating performance or asset value are not relevant in its valuation analysis since (i) the PRC Invested Entity lacks a proven operating history. It was established in November 2020 and is still in its development stage; (ii) the PRC Invested Entity's past financial information does not reflect its future business prospect while its value is typically tied to future growth potential, innovation, and scalability rather than past performance; and (iii) it is a common market acceptable approach to value a start-up company, such as the PRC Invested Entity, by comparing it to similar companies that have been recently acquired or funded, which reflects what the market is willing to pay rather than relying on historical operating performance. Therefore, we consider that we are able to derive the Implied Valuation which is fair and reasonable based on what the market is willing to pay for the PRC Invested Entity, independent of its historical operating performance. We also consider that the consideration for the Subscription is based on a valuation of the PRC Invested Entity after taking into account of its prospect and business potential, which is in line with the basis of investment in the above investment transactions.

As explained above, we attempted to identify similar transactions involving start-up AI companies as the relevant basis for the Implied Valuation. However, as key information, such as the exact subscription amounts by the investors, percentage of these start-up AI companies represented by subscription monies and the basis of these subscriptions, is not available, we are unable to compute the valuations and determine the basis of the valuations of these start-up companies in those similar transactions. Hence, we are unable to derive the Implied Valuation based on the similar transactions approach. Therefore, we adopted the prior transaction approach after taking into account the fact that (i) the PRC Subscription Agreement, signed on 15 December 2024, presents a timely and arm's length reference point; and (ii) the PRC Subscription Agreement involved the subscription of equity interests in the PRC Invested Entity by 14 unrelated investors (being the WFOE and 13 other independent investors, comprising reputable technology companies involving in digital payment platform, artificial intelligence and data analytics, financial institutions and venture capital funds), all of whom agreed to invest into the PRC Invested Entity at the same valuation. Given that the PRC Subscription Agreement reflects how independent and unrelated investors perceive the business prospect and potential of the PRC Invested Entity as of its signing date and considering that it represents an arm's length transaction, we consider it provides the most direct and reliable basis for assessing the Implied Valuation as at 15 December 2024.

Based on the PRC Subscription Agreement, each RMB100 million subscription money represents approximately 3.34% of the equity interest in the PRC Invested Entity, translating to an Implied Valuation of RMB2,990 million as at 15 December 2024, i.e. the date of the PRC Subscription Agreement.

(ii) Valuation of the PRC Invested Entity as at the Valuation Date

In order to adjust the Implied Valuation from 15 December 2024 to the Valuation Date (i.e. 20 March 2025), we capture the market movement between 15 December 2024 and the Valuation Date (i.e. 20 March 2025) with reference to the percentage changes in the share prices of the Comparable Companies, considering that percentage changes in share prices is the most appropriate in capturing the market movement.

In deriving the Implied Valuation at the Valuation Date, we consider that it is appropriate to incorporate market movements between the date of the PRC Subscription Agreement (i.e. 15 December 2024) and the Valuation Date (i.e. 20 March 2025) by adjusting the Implied Valuation as at 15 December 2024 based on the percentage changes in the share prices of the listed Comparable Companies within the sector, which information is publicly available. These companies operate in AI related solutions, chips and networking products, the primary business areas of the PRC Invested Entity. The adjustment reflects changes in market capitalisation observed between 15 December 2024 and 20 March 2025. This approach aligns with widely accepted valuation principles, as market movements capture broader industry trends and prevailing market conditions. By factoring in these changes, the valuation reflects updated market dynamics over this period.

In addition, although the PRC Invested Entity is a private and unlisted company, we consider that it is reasonable to adjust the Implied Valuation of the PRC Invested Entity using percentage changes in the share prices of listed Comparable Companies for the following reasons:

1. share prices of listed companies reflect real-time market dynamics, investor sentiment, and economic conditions. Adjusting the valuation based on these price movements captures broader market trends that likely affect both listed and unlisted companies;

2. while the PRC Invested Entity is unlisted, its valuation relies on comparisons with listed companies operating in similar industries or markets. These listed companies provide a benchmark for assessing changes in value due to external factors like market conditions; and

3. the value of the PRC Invested Entity may not fluctuate daily like listed shares but is still influenced by overall market sentiment and comparable company performance when transactions occur.

Thus, using percentage changes in share prices of listed Comparable Companies is an effective proxy for market movement when adjusting the Implied Valuation. Given that the Investee Business is broadly categorised as operating in the design and development of AI related solutions, chips and networking products, with PRC as its primary market and the Comparable Companies collectively reflect the relevant industry trends and prevailing market conditions, which aligns with our valuation purpose of capturing the overall market movements between 15 December 2024 and 20 March 2025, we consider that the Comparable Companies accurately reflect market trends relevant to adjusting the Implied Valuation. Therefore, we consider the selection of the Comparable Companies is fair and reasonable.

The result of our findings in relation to the Comparable Companies which we believe are exhaustive, is set out in the table below.

Name of company and stock code	Principal business	Market capitalisation (RMB million) As at 13 December 2024 *(Note 4)*	As at 20 March 2025	Change *(%)*
Allwinner Technology Co., Ltd. (300458.SZ)	Research and development of, design, manufacture and sell intelligent application SoC, analog components, and wireless interconnect chips in the PRC. Its products are used for industry control, automotive electronics, smart home, robot, smart vision, OTT box, smart hardware, tablet, virtual reality, wireless communication to analog products applications	25,292	36,332	43.7
Beijing Fourth Paradigm Technology Co Ltd (6682.HK) *(Note 1, 2)*	Sales of self-developed AI platform and other ready-to-use applications and provision of application development and other services in the PRC	22,923	20,367	-11.1
Cambricon Technologies Corporation Limited (688256.SH)	Develop, design, and sell core chips in cloud server, edge computing, and terminal equipment in the PRC	236,231	292,640	23.9
CloudWalk Technology Co. Ltd (688327.SH)	Provision of artificial intelligence solutions to the financial and civil aviation industries in the PRC. It offers human-machine collaborative operating system, artificial intelligence solutions, AI and data middle platform, and credit risk management; and cloud shield financial AI anti-fraud solution, multi-level protection system	14,600	18,209	24.7

Name of company and stock code	Principal business	Market capitalisation (RMB million) As at 13 December 2024 *(Note 4)*	As at 20 March 2025	Change *(%)*
Dawning Information Industry Co., Ltd. (603019.SH)	Provision of high-performance computing, server, storage, cloud computing, and big data products	104,867	102,140	-2.6
Hygon Information Technology Co., Ltd, (688041.SH)	Research and development of computing chip products and systems in the PRC. It offers high-performance processors for data centers; mid-range processors for industry customers; and other processors for various scenarios, as well as deep computing processors	287,252	351,866	22.5
Ieit Systems Co., Ltd. (977.SZ)	Provision of information technology infrastructure products, solutions, and services. It also provides industrial Internet of Things and smart retail solutions; disaster recovery storage solutions for medical services; and smart campus storage solutions	67,365	85,825	27.4
Iflytek Co., Ltd. (2230.SZ)	Specialising in AI technologies, focusing on natural language understanding, multimodel intelligence, and cognitive intelligence	112,970	109,889	-2.7
Loongson Technology Corporation Limited (688047.SH)	Development, sale, and service of processors and supporting chips in the PRC. Its products include processors and supporting chip products, and basic software and hardware solutions	62,290	51,464	-17.4

Name of company and stock code	Principal business	Market capitalisation (RMB million) As at 13 December 2024 *(Note 4)*	As at 20 March 2025	Change *(%)*
Motorcomm Electronic Technology Co., Ltd. (688515.SH)	Develops, manufactures, and distributes high-speed wired communication chips and produces ethernet physical layer chips for communication, automotive electronics, consumer electronics, monitoring equipment, industrial control, and other fields	7,592	8,280	9.1
Ruijie Networks Co., Ltd. (301165.SZ)	Develops network software products and produces network equipment, network security products, cloud desktop solutions, and other products	28,240	41,820	48.1
Sensetime-W (20.HK) *(Note 1, 3)*	Sale of advanced AI software platform and related services, sale of AI software-embedded hardware and related services, AIDC service as well as research and development activities in relation to AI technology	50,907	55,177	8.4
Shenzhen Phoenix Telecom Technology Co., Ltd. (301191.SZ)	Develops and sells networks switches, routers, ethernet over cables, and other products. It provides its products for government offices, education, finance, transportation, and energy fields	5,469	8,390	53.4
Suzhou Centec Communications Co., Ltd (688702.SH)	Manufactures and sells switch core chips. It develops and produces software development kit and network operating system	29,676	27,170	-8.4
Yuanjie Semiconductor Technology Co., Ltd. (688498.SH)	Research and development, design, production, and sale of high-speed semiconductor chips for servers and supercomputing	11,733	10,871	-7.4

Name of company and stock code	Principal business	Market capitalisation (RMB million) As at 13 December 2024 *(Note 4)*	As at 20 March 2025	Change *(%)*
ZTE Corporation (63.SZ)	Develop and provision of networking chips, 5G infrastructure and cloud-native solutions	146,128	173,154	18.5
		Simple average change		14.4%
		Median		13.8%
		Weighted average change		16.9%

Note 1: The market capitalisation of these companies is translated into RMB based on an exchange rate of HK$1.07 to RMB1.

Note 2: Beijing Fourth Paradigm Technology Co Ltd announced a share placement of 27.92 million shares on 7 February 2025, which was completed on 13 February 2025. Such share placement is excluded from the calculation of market capitalisation as at 20 March 2025 such that the comparison of market capitalisation on 15 December 2024 and 20 March 2025 would not be distorted by such share placement.

Note 3: Sensetime-W announced a share placement of 1,865 million shares on 11 December 2024, which was completed on 17 December 2024. Such share placement is excluded from the calculation of market capitalisation as at 20 March 2025 such that the comparison of market capitalisation on 15 December 2024 and 20 March 2025 would not be distorted by such share placement.

Note 4: 13 December 2024 is the last trading day prior to the signing date of the PRC Subscription Agreement (i.e. 15 December 2024).

We note that some Comparable Companies have experienced significant percentage changes in their market capitalisations. While we are not aware of any particular reason for these fluctuations, we believe they are primarily due to recent positive investor sentiment towards AI development in the PRC as driven by several factors such as (i) accelerated AI adoption: more Chinese companies plan to increase AI investment, focusing on generative AI to boost operational efficiency and competitiveness; (ii) DeepSeek's impact: the launch of DeepSeek's AI model has triggered widespread adoption, reducing deployment costs and driving innovation across industries; (iii) Government support: the PRC Government has prioritised AI in its strategy for technological breakthroughs; and (iv) corporate investments: major companies have announced significant increases in capital expenditures for AI infrastructure. This aligns with the purpose of capturing the overall market movements to appropriately adjust the Implied Valuation. As such, we do not identify any outliner warrant exclusion from our analysis. Among the 16 Comparable Companies, the percentage change in the market capitalisation of the Comparable Companies from 15 December 2024 to 20 March 2025 ranged from approximately -17.4% to approximately 53.4% with a simple average change of approximately 14.4% and a weighted average change of approximately 16.9%.

The weighted average of the percentage change of the market capitalisation of the Comparable Companies of approximately 16.9% was adopted and multiplied by the Implied Valuation based on the PRC Subscription Agreement of approximately RMB2,990 million to determine the Implied Valuation as at the Valuation Date of approximately RMB3,494 million.

Our view

Given that (i) the Subscription represents the original capital commitment to the PRC Invested Entity pursuant to the PRC Subscription Agreement dated 15 December 2024; (ii) the PRC Subscription Agreement was also entered into with 13 other reputable independent investors, all of whom have agreed to invest into the PRC Invested Entity at the same valuation; and (iii) the Implied Valuation from the Subscription of approximately RMB2,990 million is comparable to and represents a discount of approximately 14.4% to the Implied Valuation of approximately RMB3,494 million as at the Valuation Date, we are of the view that the Subscription is fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Shareholders and the Company.

6. Financial effects on the Group

Upon completion of the Acquisition and the Subscription, the PRC Invested Entity will become a financial asset at fair value in the financial statement of the Group.

Since the Subscription will be fully satisfied by cash, the cash level of the Group will decrease immediately upon the payment of the Subscription. As at 30 September 2024, the Group's bank balances and cash was approximately HK$138 million based on the interim report of the Company for the six months ended 30 September 2024. After taking into account of the receipt of net proceeds of approximately HK$2.2 billion from the disposal of 127,578,590 Nantong Jianghai Shares (as disclosed in the Company's announcement dated 13 January 2025), the final dividend in respect of the year ended 31 March 2024 and a special dividend declared at the Board meeting held on 22 January 2025 in an aggregate amount of approximately HK$47 million and approximately HK$1.7 billion, respectively and based on the assumption that there is no material adverse change in such position since 30 September 2024, the Group has had sufficient internal resources to fulfil its capital commitment to the Subscription and the Directors expected that there would not be material adverse effect on the cash flow of the Group as a result of the Subscription.

It should be noted that the analysis above is for illustrative purposes only and does not purport to represent how the financial position of the Group would be upon completion of the Acquisition and the payment of the Subscription.

CONCLUSION AND RECOMMENDATION

Based on the above principal factors and reasons, in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

(a) the consideration of the Acquisition represents a nominal value of HK$1 as the Target Company had a net liability of approximately HK$5,000 as at 31 December 2024 and the equity interest in the WFOE, being its only investment, has not yet been paid up;

(b) the WFOE entered into the PRC Subscription Agreement with, among others, the PRC Invested Entity to subscribe for approximately 3.34% of the equity interest in the PRC Invested Entity at a consideration of RMB100,000,000 (equivalent to approximately HK$107,000,000) (i.e. the Subscription). Subject to Completion, the Group will be responsible for the payment of the Subscription;

(c) the Subscription represents the original capital commitment to the PRC Invested Entity pursuant to the PRC Subscription Agreement, which was entered into with 13 other reputable independent investors, all of whom have agreed to invest into the PRC Invested Entity at the same valuation;

(d) the Implied Valuation from the Subscription of approximately RMB2,990 million is comparable to and represents a discount of approximately 14.4% to the Implied Valuation of approximately RMB3,494 million as at the Valuation Date and is fair and reasonable;

(e) we concur with the view of the Board that the Acquisition and the Subscription represent a strategic opportunity for the Group to tap into the rapidly growing AI market; and

(f) subject to Completion, the Group expects to apply its internal resources to fully pay up the capital commitment for the Subscription. Based on the latest available financial information, the Group has had sufficient internal resources to fulfil its capital commitment to the Subscription and the Directors expected that there would not be material adverse effect on the cash flow of the Group as a result of the Subscription,

we consider that (i) while the Acquisition is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole, and (ii) the terms of the Acquisition are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned and the entering into of the Share Transfer Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

We advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM in relation to the Acquisition pursuant to the Share Transfer Agreement.

Yours faithfully,
For and on behalf of
Ballas Capital Limited

Alex Lau	**Heidi Cheng**
Managing Director	*Managing Director*

Note: Both Mr. Alex Lau and Ms. Heidi Cheng of Ballas Capital Limited have been responsible officers of Type 6 (advising on corporate finance) regulated activity since 2003.

1. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions, by Directors of Listed Issuers contained in the Listing Rules ("**Model Code**"), to be notified to the Company and the Stock Exchange, were as follows:

(A) Long position in the shares of the Company

	Number of shares and nature of interests			Percentage of
Name of Directors and chief executives	**Personal interests**	**Spouse interests**	**Total**	**Company's issued capital**
Mr. Li Kwok Wai, Frankie	108,504,000	–	108,504,000	11.63%
Mr. Leung Tze Kuen	3,450,000	–	3,450,000	0.37%
Mr. Cheung Wai Man	250,0000 *(Note (i))*	100,000	350,000	0.04%

(B) Long position in the shares of associated corporations of the Company

(1) Antrix Investment Limited ("Antrix") (Note (ii))

	Number of shares and nature of interests			
	Personal interests	**Through controlled corporations**	**Total**	**Percentage of issued capital of Antrix**
Mr. Li Kwok Wai, Frankie	–	17,351,735	17,351,735	33.33%

(2) Fang Brothers Holdings Limited ("Fang Brothers") (Note (iii))

	Number of shares and nature of interests Personal interests	Total	Percentage of issued capital of Fang Brothers
Mr. Fang Yan Tak, Douglas (i.e. Mr. FANG)	16,000,000	16,000,000	20%

Notes:

(i) These interests represent shares granted under the share award scheme of the Company. They are subject to the satisfactory fulfilment of vesting conditions and were not vested as at the Latest Practicable Date.

(ii) As at the Latest Practicable Date, Antrix held 570,000,000 shares of the Company, representing approximately 61.07% of the issued Shares.

(iii) As at the Latest Practicable Date, Fang Brothers beneficially owned 66.67% of the issued share capital of Antrix.

(iv) Each of Mr. Li Kwok Wai, Frankie and Mr. FANG is a director of Antrix. Mr. FANG is a director and Mr. Cheung Wai Man is an employee of Fang Brothers.

Save as disclosed in this paragraph 2, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

3. MATERIAL ADVERSE CHANGES

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

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

On 21 May 2024, Core Post Company Limited, which Mr. FANG indirectly owns 20% of its issued share capital (as landlord) and the Purchaser (as tenant) entered into a tenancy agreement, pursuant to which Core Post Company Limited leased to the Purchaser a premise located at designated area of 5/F, 20-24 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong to be used as the Group's office and workshop and a carpark space located at ground floor for a term of one year commencing from 21 May 2024 to 20 May 2025 (both days inclusive) with the monthly rental of HK$39,872.

On 22 July 2024, Fang Brothers Knitting Limited, a direct wholly-owned subsidiary of Fang Brothers (as landlord) and the Purchaser (as tenant) entered into a tenancy agreement, pursuant to which Fang Brothers Knitting Limited leased to the Purchaser a premise located at Flat 8 on 22/F of Block C, Sun Kwai Hing Garden, No. 165 Tai Wo Hau Road, Kwai Chung, New Territories, Hong Kong to be used as the staff quarter of the Group for a period commencing from 22 July 2024 to 31 July 2025 (both days inclusive) with the monthly rental of HK$15,800.

In accordance with HKFRS 16 "Leases", the Company will recognise right-of-use assets on its consolidated statement of financial position in connection with the aforesaid tenancy agreements ("**Tenancy Agreements**"). Accordingly, the transaction under each of the Tenancy Agreement will be regarded as an acquisition of assets by the Group for the purpose of the Listing Rules.

As all of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under each of the Tenancy Agreements are less than 0.1%, the transactions contemplated under each of the Tenancy Agreements constitute de minimis transactions under Chapters 14 and 14A of the Listing Rules, and are therefore fully exempt from Shareholders' approval, annual review and all disclosure requirements.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interest in any assets which have been, since 31 March 2024 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group as referred to in Paragraph 40 of the Appendix D1B of the Listing Rules.

As at the Latest Practicable Date, none of the Directors had any material interest in any contract or arrangement which was subsisting and significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them (or his/her respective close associates) had interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Ballas Capital Limited	A licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO

Ballas Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 23 April 2025 and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Ballas Capital did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which have, since 31 March 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

8. MISCELLANEOUS

This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

9. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.yeebo.com.hk) for a period of 14 days from the date of this circular (both days inclusive):

(a) the Share Transfer Agreement;

(b) the letter from the Independent Board Committee, the text of which is set out in this circular;

(c) the letter from Ballas Capital, the Independent Financial Adviser, the text of which is set out in this circular; and

(d) the written consent from Ballas Capital referred to in the section headed "Expert and Consent" in this appendix.

YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**Special General Meeting**") of Yeebo (International Holdings) Limited (the "**Company**") will be held at Huashan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 12 May 2025 at 11:00 a.m., for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**

the terms of and the transactions contemplated under the Share Transfer Agreement dated 20 March 2025 (a copy of which marked "A" has been tabled before the Special General Meeting and initialed by the chairman of the Special General Meeting for identification purpose) (the "**Share Transfer Agreement"**) in respect of the proposed acquisition of the Sale Shares (as defined in the circular of the Company dated 23 April 2025, "**Circular**"), which represents the entire issued share capital of the Target Company (as defined in the Circular), be and are hereby approved, and any one director of the Company be and is hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts or things and take all such steps as he/she/they may in his/her/their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the Share Transfer Agreement and all matters incidental thereto."

By Order of the Board
Yeebo (International Holdings) Limited
Lau Siu Ki, Kevin
Company Secretary

Hong Kong, 23 April 2025

Notes:

1. A shareholder entitled to attend and vote at the Special General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder. In order to be valid, the form of proxy must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the Special General Meeting (i.e. not later than 11:00 a.m. on Saturday, 10 May 2025) or any adjournment or postponement thereof.

2. The register of members of the Company will be closed from Wednesday, 7 May 2025 to Monday, 12 May 2025 (both days inclusive), during which period no transfers of shares will be effected. In order to be eligible to attend and vote at the Special General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 6 May 2025.

As at the date of this notice, the Board comprises Mr. Fang Yan Tak, Douglas, Mr. Li Kwok Wai, Frankie, Mr. Leung Tze Kuen and Mr. Cheung Wai Man as executive directors of the Company; and Mr. Chu Chi Wai, Allan, Mr. Lau Yuen Sun, Adrian and Professor Lau Kei May as independent non-executive directors of the Company.