
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Yeebo (International Holdings) Limited (the “Company”), you should at once hand this supplemental circular and the Revised Proxy Form accompanied 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.

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YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

SUPPLEMENTAL CIRCULAR TO THE AGM CIRCULAR IN RELATION TO CONTINUING CONNECTED TRANSACTIONS MASTER SALE AND PURCHASE (2025-2028) AGREEMENT AND SUPPLEMENTAL NOTICE OF AGM

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

BALLAS
C A P I T A L

This supplemental circular shall be read in conjunction with the 2025 AGM Circular and the 2025 AGM Notice. An additional resolution will be proposed at the AGM, particulars of which are set out in this supplemental circular. The supplemental notice of the AGM to be held as originally scheduled at Tianshan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 25 August 2025, at 11:00 a.m. is set out on pages 50 to 51 of this supplemental circular. A Revised Proxy Form for use at the AGM which contains the additional ordinary resolution to be proposed at the AGM is also accompanied herewith. Such Revised Proxy Form is also published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.yeebo.com.hk.

A letter from the Board is set out on pages 5 to 26 of this supplemental circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 27 of this supplemental 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 28 to 44 of this supplemental circular.

If typhoon signal No. 8 or above, or “extreme conditions” caused by a super typhoon, or a “black” rainstorm warning is in force at 8:00 a.m. on the day of the AGM, the AGM may be postponed. The Company will publish an announcement on the websites of the Company (www.yeebo.com.hk) and the Stock Exchange (www.hkexnews.hk) to notify the Shareholders if the AGM is rescheduled.

Whether or not you are able to attend the AGM, please complete the accompanying Revised Proxy Form 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 AGM or any adjournment or postponement thereof. Completion and return of the Revised Proxy Form will not preclude you from attending and voting in person at the AGM or any adjournment or postponement thereof should you so wish.

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DEFINITIONS

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

“2025 AGM Circular”	the circular of the Company in respect of the AGM dated 25 July 2025
“2025 AGM Notice”	the notice of the AGM of the Company dated 25 July 2025
“AI”	artificial intelligence
“AIDC(s)”	AI data centre(s)
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held for the Shareholders to (among others) consider, and if thought fit, approve the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder, or any adjournment or postponement thereof, the details of which are set out in the 2025 AGM Circular and this supplemental circular
“Announcement”	the announcement of the Company dated 30 June 2025 in relation to, among others, the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder
“Approval Date”	the date on which the Independent Shareholders approve the Master Sale and Purchase (2025-2028) Agreement, the transactions contemplated thereunder and the proposed annual caps in relation thereto at the AGM in accordance with the requirements of the Listing Rules
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, but for the purpose of this supplemental circular and for geographical reference only and except where the context requires, references in this supplemental circular to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan, China

DEFINITIONS

“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)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Displays”	collectively, liquid crystal displays (LCDs), liquid crystal displays modules (LCMs), thin film transistor modules (TFTs) and capacitive touch panel modules (CTPs) products
“Fang Group”	collectively, Mr. FANG and his associate(s) and any entity(ies) that may become associate(s) of Mr. FANG from time to time during the term of the Master Sale and Purchase (2025-2028) Agreement and for the purpose of the Master Sale and Purchase (2025-2028) Agreement it shall not include the Group; and a “member of Fang Group” and “members of Fang Group” shall be construed accordingly
“Fang Group Product(s)”	computer servers and related systems and services to be sold by Fang Group to the Group pursuant to the Master Sale and Purchase (2025-2028) Agreement
“Goods”	any Yeebo Products or Fang Group Products (as the case may be)
“GPU”	graphics processing unit
“Group”	the Company and its subsidiaries and for the purpose of the Master Sale and Purchase (2025-2028) Agreement also include any entity(ies) that may become subsidiary(ies) of the Group from time to time during the term of the Master Sale and Purchase (2025-2028) Agreement; and a “member of the Group” and “members of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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 Master Sale and Purchase (2025-2028) 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 Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), 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 Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) who do not have material interest in the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Latest Practicable Date”	5 August 2025, being the latest practicable date prior to the dissemination of this supplemental circular, for ascertaining certain information for inclusion in this supplemental circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as revised from time to time)
“Master Sale and Purchase (2025-2028) Agreement”	the master sale and purchase (2025-2028) agreement dated 30 June 2025 entered into between the Company and Mr. FANG
“Mr. FANG”	Mr. Fang Yan Tak, Douglas, an executive Director and the Chairman of the Board
“Original Proxy Form”	the form of proxy accompanied with the 2025 AGM Circular

DEFINITIONS

“Revised Proxy Form”	the form of proxy accompanied with this supplemental circular
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Contract(s)”	written sale and purchase contract(s) (in such form and style as the Company and Mr. FANG may agree from time to time) entered into between any member of Fang Group and any member of the Group from time to time in accordance with the terms of the Master Sale and Purchase (2025-2028) Agreement for the sale and purchase of the Goods during the term of the Master Sale and Purchase (2025-2028) Agreement
“Sale of Yeebo Products”	the sale of Yeebo Products by the Group to Fang Group pursuant to the Master Sale and Purchase (2025-2028) Agreement
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Sourcing of Fang Group Products”	the purchase of Fang Group Products by the Group from Fang Group pursuant to the Master Sale and Purchase (2025-2028) Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suanova Technology”	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
“subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly
“Yeebo Product(s)”	AIDC parts and components and related software to be sold by the Group to Fang Group pursuant to the Master Sale and Purchase (2025-2028) Agreement
“%”	per cent

The English translation/transliteration of Chinese names or words in this supplemental circular, where indicated by “”, is included for information purpose only, and should not be regarded as the official English translation/transliteration of such Chinese names or words.*

LETTER FROM THE BOARD



YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

Executive Directors:

FANG Yan Tak, Douglas
LI Kwok Wai, Frankie
LEUNG Tze Kuen
CHEUNG Wai Man

Independent Non-executive Directors:

CHU Chi Wai, Allan
LAU Yuen Sun, Adrian
LAU Kei May

Registered Office:

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

Principal Office in Hong Kong:

7th Floor
On Dak Industrial Building
2-6 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

8 August 2025

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO THE AGM CIRCULAR
IN RELATION TO
CONTINUING CONNECTED TRANSACTIONS
MASTER SALE AND PURCHASE (2025-2028) AGREEMENT
AND
SUPPLEMENTAL NOTICE OF AGM**

1. INTRODUCTION

This supplemental circular should be read in conjunction with the 2025 AGM Circular which contains, among other things, matters to be transacted at the AGM. The purposes of this supplemental circular are:

- (i) to provide the Shareholders with the information of the additional resolution to be proposed at the AGM regarding the consideration and approval of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder and to provide Shareholders with the supplemental notice of the AGM and the Revised Proxy Form;

LETTER FROM THE BOARD

- (ii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder; and
- (iii) to give the Shareholders other information in accordance with the requirements of the Listing Rules.

The supplemental notice of the AGM is accompanied herewith as part of this supplemental circular.

2. MASTER SALE AND PURCHASE (2025-2028) AGREEMENT

As disclosed in the Announcement, on 30 June 2025 (after trading hours), the Company entered into the Master Sale and Purchase (2025-2028) Agreement with Mr. FANG regarding Sale of Yeebo Products by the Group to Fang Group and Sourcing of Fang Group Products by the Group from Fang Group.

The principal terms of the Master Sale and Purchase (2025-2028) Agreement are set forth below.

<i>Date</i>	30 June 2025 (after trading hours)
<i>Parties</i>	<ul style="list-style-type: none">(i) The Company (for itself and on behalf of the Group); and(ii) Mr. FANG (for himself and on behalf of Fang Group).
<i>Duration</i>	From 30 June 2025 or the Approval Date (whichever is later) to 31 March 2028 (both days inclusive).
<i>Condition Precedent</i>	The Master Sale and Purchase (2025-2028) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Sale and Purchase (2025-2028) Agreement, including but not limited to obtaining Independent Shareholders' approval at the AGM.

LETTER FROM THE BOARD

Subject Matter & Major Terms

Sale of Yeebo Products

Each member of Fang Group may, at its absolute discretion, request to purchase Yeebo Products from members of the Group. If any member of Fang Group so requests or makes a written offer to any member of the Group to purchase from the Group any Yeebo Products, the Company may, at its absolute discretion, procure the relevant member of the Group to supply such Yeebo Products to the relevant member of Fang Group.

Sourcing of Fang Group Products

Each member of the Group may, at its absolute discretion, request to purchase its required Fang Group Products from members of Fang Group. Upon receiving purchase request from members of the Group, Mr. FANG may, at his absolute discretion, procure the relevant member of Fang Group to sell to the relevant member of the Group the required Fang Group Products.

General terms

The terms and conditions (including price and payment terms) of any sale and purchase conducted pursuant to the Master Sale and Purchase (2025-2028) Agreement shall be agreed between relevant member(s) of the Group and Fang Group in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Sale and Purchase (2025-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Subject to mutual agreement, the relevant member of the Group has the right to sell, resell or otherwise distribute Fang Group Products which it has acquired from the relevant member of Fang Group to any person at such price as such member of the Group may in its absolute discretion determine.

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Pricing policy and basis of price determination The overall terms and conditions (including but not limited to price, payment terms and credit terms) as a whole offered by the relevant member of Fang Group to the relevant member of the Group shall be no less favourable to the relevant member of the Group than those offered by Independent Third Parties and shall be on normal commercial terms or better. Each individual agreement shall be negotiated on an arm's length basis.

In determining whether the overall terms and conditions are no less favourable to the relevant member of the Group than those offered by Independent Third Parties, the Group will take into account all relevant factors including the fair market price ranges and pricing terms of products of identical, or (if that is not available) of comparable or similar quality, specifications, quantities, required time of delivery, etc. offered by Independent Third Parties in the market as at the time when the individual agreement is entered into.

Internal Control Procedures and Pricing Policies

Via the Master Sale and Purchase (2025-2028) Agreement, on the one hand the Group may sell AIDC parts and components (i.e. GPU chips, central processing unit chips, high-performance storage, optical modules and switches and any parts and components introduced in the future which may be used for AIDC) and related software to be sourced from third party suppliers as Yeebo Products to members of Fang Group, and on the other hand Fang Group offers computer servers and related systems and services as Fang Group Products, and the Group may depending on its business needs purchase from Fang Group any such Fang Group Products, which are mainly condensed computer servers with advanced powerful computing capacity to store, manage, and process massive amounts of data in high-speed and with high-performance to support the AIDC business of the Group. Computer servers built with GPUs (which are specialised processors developed to accelerate graphics rendering and for many types of heavy parallel computation tasks) are the core building blocks of AIDC market, providing the computing power, storage, and connectivity required for AI workloads.

As stated in the section headed “REASONS FOR AND BENEFITS OF THE MASTER SALE AND PURCHASE (2025-2028) AGREEMENT” of this Letter from the Board, the Group acts as the distributor in respect of the Yeebo Products – the Group will source such goods from third party suppliers, and then distribute and sell the same to the Group’s customers including members of Fang Group as well as Independent Third Parties. Accordingly, the Group will adopt a resale business model in respect of the Sale of Yeebo Products, whether to members of Fang Group as contemplated under the Master Sale and Purchase (2025-2028) Agreement or to Independent Third Party customers.

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As at the Latest Practicable Date, whereas the distributorship business of the Group is still at an initial stage with relatively little demand, the Group adopts an indent trading approach in respect of the Sale of Yeebo Products – purchase orders will be made with relevant suppliers after purchase orders are received from the Group’s customers – which helps the Group to minimise inventory risk, save storage fees and ensure timely supply. After the Group accepts purchase orders from Fang Group for Yeebo Products, the Group will source the relevant Yeebo Products from third party suppliers and resell the relevant Yeebo Products to Fang Group with reference to the target price of identical, comparable or similar products, which the Group intends or manages to set for other customers together with the sourcing cost, indicative range of selling prices/recommended retail price set by suppliers and/or the recommended markup rates based on the market research report to be obtained from independent adviser(s) such as professional market research firms and financial advisory and consulting firms, which can be obtained from the market or commissioned to be prepared half-yearly. On the other hand, whilst Fang Group is responsible for the overall design and development of Fang Group Products, it will outsource the manufacture of Fang Group Products to third party suppliers and hence will sell the Fang Group Products to the Group and other customers based on a cost-plus approach with a markup margin. Please refer to the section headed “REASONS FOR AND BENEFITS OF THE MASTER SALE AND PURCHASE (2025-2028) AGREEMENT” of this Letter from the Board for further details of the business arrangement as contemplated under the Master Sale and Purchase (2025-2028) Agreement.

In light of the above business model, the Group has implemented the following internal control procedures and pricing policies for the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement:

- (i) The Group will half-yearly collect market information (such as the indicative range of prices and the range of markup margin of Yeebo Products and (where appropriate) comparable products and (where appropriate) markup margin of products comparable to Fang Group Products) from independent adviser(s) such as professional market research firms and financial advisory and consulting firms and enter such information into its internal database and update the relevant figures with reference to which the purchase price, selling price and/or markup margin of Goods are determined. Before each individual transaction is to be carried out under the Master Sale and Purchase (2025-2028) Agreement, in addition to the steps mentioned below (especially step (v)), the Group will compare the terms offered by the relevant connected person with the market data in its internal database to ensure the overall terms offered by such connected person are on normal commercial terms and no less favourable to the Group than those offered by Independent Third Parties. The Company considers a half-yearly collection interval is fair and reasonable since margin is expected to be relatively stable within a reasonable time and therefore the Company considers that market reports obtained on a half-yearly basis will provide up-to-date market information.
- (ii) The finance department of the Group will maintain a database to record and monitor the aggregate transaction amounts of the continuing connected transactions from time to time and prepare a monthly report on the status of the aggregate transaction amounts which will be submitted to the executive Directors (other than Mr. FANG) for review.

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- (iii) Before conducting any transactions with connected persons, the finance department of the Group would confirm the utilisation status of the annual caps to ensure that the Group still has sufficient room under the annual caps for carrying out the relevant continuing connected transactions. The finance department of the Group would on a monthly basis review the continuing connected transactions carried out during the period under review. If it is anticipated that the annual caps may be exceeded if the Company is to carry out the proposed transactions, the Company would take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules, including but not limited to revising the relevant annual caps before entering into the proposed transactions.
- (iv) The Group will also set up quarterly targets for Sourcing of Fang Group Products and Sale of Yeebo Products respectively, from which it could project the approximate amount of sales and purchase with Fang Group, which will be subject to review from time to time depending on the circumstances such as the Group's performance and overall market conditions. The Group will monitor the utilisation rate of the annual caps with reference to the projected transaction amounts and if it is anticipated that the annual caps may be exceeded if the Company is to carry out the proposed transactions as projected, the Company would take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules, including but not limited to revising the relevant annual caps before entering into the proposed transactions.
- (v) To ensure the overall terms offered by such connected person are on normal commercial terms and no less favourable to the Group than those offered by Independent Third Parties,
 - (a) *As regards Sourcing of Fang Group Products:* Upon receiving purchase request for Fang Group Products from the relevant department of the Group, the procurement department of the Group will approach not less than two Independent Third Party suppliers for quotations of similar or comparable products (if available) and compare the price offered by Fang Group and Independent Third Party suppliers (if available) and make an overall assessment of the terms of supply by such supplier(s), to ensure that the transactions would be conducted in accordance with the terms of the Master Sale and Purchase (2025-2028) Agreement. To the extent where there are no similar or comparable products from Independent Third Party suppliers or where there are less than two Independent Third Party suppliers of the required products, the procurement department of the Group will obtain quotation information from Fang Group on the sale of Fang Group Products by Fang Group to Independent Third Parties to ensure that the prices of Fang Group Products offered by Fang Group to the Group shall not be higher than those offered by Fang Group to Independent Third Parties. The Group will consider whether or not to purchase Fang Group Products from Fang Group based on a basket of factors including not limited to (i) whether the Group is able to obtain a better offer from Independent Third Parties; (ii) quality of products and

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timeliness of supply; and (iii) the impact on the profitability of the Group, and the Group shall only purchase Fang Group Products from Fang Group if it is in the interest of the Shareholders and the Group to do so.

(b) *As regards Sale of Yeebo Products:* Under the Group's pricing model, the per unit selling price of the Yeebo Products will be determined with reference to the target price of identical, comparable or similar products, which the Group intends or manages to set for other customers together with the sourcing cost, indicative range of selling prices/recommended retail price set by suppliers and the recommended markup rate based on the market research report to be obtained from independent adviser(s) such as professional market research firms and financial advisory and consulting firms, which can be obtained from the market or commissioned to be prepared half-yearly, and the weight of each factor will vary from order to order based on negotiations with its customers. The selling price of Yeebo Products will be set with reference to the prevailing market price or the indicative range of selling prices of the relevant Yeebo Products or comparable products (if any) set by the suppliers, from which the market margin is determined accordingly; or, if there are no similar or comparable offers from Independent Third Parties, a "cost plus margin" pricing will be adopted, under which the selling price of Yeebo Products will be set with markup margin that is not less than the recommended markup rate based on the market research report to be obtained from time to time. The Group will also consider whether to sell Yeebo Products to Fang Group based on a basket of factors, and the Group shall only sell Yeebo Products to Fang Group if it is in the interest of the Shareholders and the Group to do so.

Upon receiving proposed orders and offering pricing for Yeebo Products from any member of Fang Group, the relevant sales and marketing team of the Group will review the orders, check with relevant units/departments of the Group regarding inventory level of the supplier(s), purchase cost, pricing, delivery lead time and confirm or negotiate the terms with relevant member of Fang Group. The price will then be submitted to management for approval. The Group would only accept orders from Fang Group for Sale of Yeebo Products when, in accordance with the results of the overall assessment of a basket of factors, Fang Group can offer terms of purchase for the Yeebo Products which are no less favourable to the Group than those offered by Independent Third Parties for identical, comparable or similar products (as the case may be) (if available). Those factors include but are not limited to (i) whether the Group is able to obtain a better offer (taking into account the overall terms as a whole) from Independent Third Parties; (ii) the business strategy of the Group such as brand development (for example, ensuring Yeebo Products are used/installed in premium-quality servers to enhance the Group's reputation as a supplier of high-end AIDC parts and components) and competition for market share (for example, whether sales to Fang Group will strengthen the Group's market presence); (iii) the impact to the profitability of the Group; (iv) whether the supplier(s) has sufficient inventory to meet the orders from the relevant member of Fang Group; and (v) whether the Group is satisfied with the credit assessment of relevant member of Fang Group and/or the credit risk exposure

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is under control. To the extent that there are no similar or comparable offers from Independent Third Parties, the Yeebo Products offered to Fang Group will be sold within a range of recommended markup rates as set out in the market research report.

- (vi) Every time before conducting any individual transaction under the Master Sale and Purchase (2025-2028) Agreement, the relevant department of the Group would first prepare the relevant individual agreement for the individual transactions and submit it to the legal and finance departments of the Group for review and approval. The transactions could only be carried out after the legal and finance departments of the Group have separately given their approval therefor.

Annual review of the continuing connected transactions

- (i) The independent non-executive Directors shall review annually the Master Sale and Purchase (2025-2028) Agreement and the transactions thereunder and confirm in the Company's corresponding annual report that the Master Sale and Purchase (2025-2028) Agreement and the transactions thereunder have been entered into:
 - (a) in the ordinary and usual course of business of the Group;
 - (b) on normal commercial terms or better; and
 - (c) according to the Master Sale and Purchase (2025-2028) Agreement and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- (ii) The auditors of the Company shall review annually the Master Sale and Purchase (2025-2028) Agreement and the transactions thereunder and confirm in a letter to the Board that the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder:
 - (a) have received the approval of the Board;
 - (b) have been, in all material respects, in accordance with the pricing policies of the Group;
 - (c) have been entered into, in all material respects, in accordance with the Master Sale and Purchase (2025-2028) Agreement; and
 - (d) have not exceeded the caps.
- (iii) The Directors shall state in the Company's annual report whether its auditors have confirmed the matters stated in Rule 14A.56 of the Listing Rules.
- (iv) The Company shall promptly notify the Stock Exchange and publish an announcement if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters under Rules 14A.55 and 14A.56 of the Listing Rules.

LETTER FROM THE BOARD

(v) The Company shall allow, and shall ensure that the counterparties to the continuing connected transactions shall allow the Company's auditors sufficient access to the relevant records for the purpose of the auditors' review of the continuing connected transactions in accordance with the Listing Rules.

Proposed Annual Caps

The following table sets out the respective proposed annual caps of the continuing connected transactions under the Master Sale and Purchase (2025-2028) Agreement for the three years ending 31 March 2028:

	For the eight months ending 31 March 2026 <i>HK\$'000</i>	For the year ending 31 March 2027 <i>HK\$'000</i>	For the year ending 31 March 2028 <i>HK\$'000</i>
<i>Master Sale and Purchase (2025-2028) Agreement</i>			
Sourcing of Fang Group Products			
– Proposed annual cap	210,000	410,000	410,000
Sale of Yeebo Products			
– Proposed annual cap	450,000	460,000	480,000

Note: For the avoidance of doubt, the above proposed annual caps are exclusive of tax.

Basis of The Proposed Annual Caps

The Group has neither sold any Yeebo Products to nor sourced any Fang Group Products from Fang Group in the past. The proposed annual caps in relation to the Master Sale and Purchase (2025-2028) Agreement are determined with reference to the following factors:

- (i) in respect of Sourcing of Fang Group Products:
 - (a) the Group's estimated demand for Fang Group Products for the three years ending 31 March 2028, with reference to the Group's estimated capital expenditure on the expansion of the Group's AIDC business and expected market demands for the Group's products and services, in particular, in view of expected market demand for AI compute capacity of the Group's AIDC, it is estimated that the Group will require 10, 20 and 20 sets of servers and to expand approximately 1,300, 2,600 and 2,600 GPU card clusters for the 8 months ending 31 March 2026, and the financial years ending 31 March 2027 and 2028 respectively, which is projected on a proportional basis with reference to the period covered by the relevant proposed annual caps, depending on its business needs;

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- (b) the expected average unit prices of Fang Group Products for the three years ending 31 March 2028 including, among others, approximately RMB17,700,000 (exclusive of tax) per set of servers whereas the expected unit price of each individual server is determined mainly based on the number and the type of GPUs installed in such server, determined based on preliminary prevailing quotation from Fang Group, which is comparable to the prevailing indicative price of products with similar specifications (mainly in terms of number of GPUs) of Independent Third Party suppliers which the Group may from time to time consider to purchase for expansion of its AIDC; and
- (c) buffer for fluctuation of market prices and change in specifications ranging from 5% to 8% (*Note*), which is determined considering that the AIDC hardware segment in the PRC is expected to experience significant growth, in order to provide for flexibility to cater for such market growth and increase.

(ii) in respect of Sale of Yeebo Products:

- (a) Fang Group's estimated demand for Yeebo Products for the three years ending 31 March 2028 based on the preliminary projection provided by Fang Group that Fang Group is expected to require 6,600, 6,800 and 7,000 GPU cards for the 8 months ending 31 March 2026, and the financial years ending 31 March 2027 and 2028 respectively, which is in turn determined by Fang Group after taking in account factors such as indicative demand from potential customers of Fang Group, current development and trends in the AI market, and potential competition;
- (b) as there is no historical transaction for pricing reference and given the sale of Yeebo Products is on a resale model, the Company adopts a "cost plus margin" approach. Costs are estimated based on quotation from Independent Third Party supplier of the products whereas the margin (which is equivalent to gross profit margin of the products) is estimated based on the Company's best knowledge of market rates. For the purpose of determining the proposed annual caps, the Company takes into account the estimated unit prices of Yeebo Products for the three years ending 31 March 2028 of approximately RMB59,500 (exclusive of tax but inclusive of markup margin of approximately 12%) per GPU card, taking into account (i) the cost of sourcing GPU cards by the Group based on quotation from Independent Third Party suppliers; and (ii) markup margin of approximately 12% (which is determined based on the Company's best knowledge of market rates and reference is also made to the gross profit margin of the Group of approximately 12.5% for the year ended 31 March 2025); and

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(c) buffer for fluctuation of market prices and change in specifications ranging from 3% to 5% (*Note*), which is determined considering that the AIDC hardware segment in the PRC is expected to experience significant growth, in order to cater for such market growth and increase as well as to enable the Group to grasp business opportunities in such growing trend.

Note: The buffers for Fang Group Products and the Yeebo Products fall within a narrow range of 3% to 8% with a slightly larger buffer to account for the greater uncertainty and risk in system-level sales in AI computer sales projection (being the Fang Group Products) compared to the more broadly demanded GPU chips (being the Yeebo Products). AI computers are complex systems and demand can shift rapidly as new models or requirements emerge, or as software frameworks change. This variability justifies the buffer for Fang Group Products being slightly higher than the buffer for Yeebo Products.

Considering the above factors, in particular that the proposed annual caps represent the product of estimated demand and expected unit price of Goods with buffers, and the assessment of the Board that the estimated transactions to be carried out under the Master Sale and Purchaser (2025-2028) Agreement will not impact the Group's existing Displays business, the Board considers that the proposed annual caps under the Master Sale and Purchaser (2025-2028) Agreement are fair and reasonable.

Reasons for and Benefits of the Master Sale and Purchase (2025-2028) Agreement

China is rapidly evolving into an AI “super market” with the application of frontier technology woven into the fabric of a wide range of sectors in its economy. The Chinese government pledges to support the extensive application of large-scale AI models and to vigorously develop new-generation intelligent terminals and smart manufacturing equipment. Accordingly, the rapid growth of AI industry in recent years has led to a rising demand for AIDC.

Since June 2023, the Group has undergone an expansion into AI compute and related businesses and has been taking steps to make significant studies in the emerging high-growth area. The Group has significantly stepped up both the effort and investments in its AI compute and related businesses during the year ended 31 March 2025, firmly establishing the Group as one of the key players in the AI arena in the PRC. AI compute and related businesses is a new line of business of the Group and there is no correlation between the Group's existing Displays business and the Group's new AI compute and related businesses.

As at the Latest Practicable Date, the Group's AI business comprised not only of operation of AIDCs, but also covered AI hardware and computing power collation and related sales and distribution business. In particular, the Group's operations include:

- Capital investments – the Group has made a series of early-stage investments in some of the most promising technology companies, such as MetaX Integrated Circuits (Shanghai) Co., Ltd* (沐曦集成電路(上海)股份有限公司) (a company principally engaged in the design, research and development and sale of GPU chips and related products), Clounix (Shanghai) Technology Limited* (雲合智網(上海)技術有限公司) (a company principally engaged in the design, development and sale of high-end intelligent network switch chips and offers reliable and cost-effective

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network infrastructure solutions and products such as cloud-native software and operating system), MemTensor (Shanghai) Technology Co., Ltd.* (記憶張量(上海)科技有限公司) (a company principally engaged in the design and development of AI deployment platforms with cutting-edge specialised foundation models) and Shanghai Xiang Feng Technology Limited* (上海相風科技有限公司) (a company principally engaged in the design and development of large language models (LLMs) specialised in weather forecast). These include a leading domestic GPU fabless company, a high-performance network switch fabless company, and a pioneering AI agent startups focused on climate, biotechnology, and other advanced technology sectors. In addition to the direct investment return that such capital investments may bring to the Group when such invested entities declare dividends as and when they record profit, such capital investments would also create synergy for the Group's AI business via leasing the Group's servers in AIDCs to invested entities and broadening the spectrum of the Group's business network with those AI tech companies. Historically, the Group has leased its servers in AIDCs to its invested entities as and when the invested entities required AI compute services. During the year ended 31 March 2025, the Group did not receive any dividend from any of the aforesaid invested entities as they are still in seed stage and have not yet generated profit.

- AIDC – since 2024, the Group has started operating its AIDC business by leasing its servers with advanced AI computing power to customers. As at the Latest Practicable Date, the Group operates over 3,000 GPU card clusters across AIDCs in Kowloon Bay and Tseung Kwan O, Hong Kong and Qingpu District, Shanghai. The Group's AIDC servers are placed in data centre premises operated by Independent Third Parties from which the Group leased rack spaces for placing its servers. The rack spaces lease arrangement has a general term of 3 years commencing from 2024, and the rental expenses are booked as cost of sales in the Group's consolidated financial statements in accordance with the applicable accounting standards. The Group expects that such leases will be renewed after the expiry of their respective terms. As there are numerous data centres in the market (whether in Hong Kong or the Chinese mainland), the Group does not envisage any obstacles in renting alternative spaces for such purpose as and when necessary (whether upon expansion, expiry or termination of existing terms or otherwise). In gist, the revenue model of the Group's AIDC is that the Group generates revenue from the rental received by renting servers with advanced AI computing power in its AIDC to its customers which require such AI computing power for their desired purpose, mainly to handle, process and/or store huge volume of data. The Group generally offers credit period of not more than 90 days depending on the Group's overall credit assessment of the relevant customers. The target audience of the Group's AIDC business is those which have high demand for computing power, such as customers which are engaged in weather forecast, academic research and scientific and technological research and development, which involve handling of an enormous amount of data and/or a large number of simulations and financial institutions which require AI in different aspects including algorithmic trading, predictive analytics and forecasting as well as

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portfolio management and investment strategies etc. The Group has a sales team which is acquainted with the AI industry and is responsible for approaching potential customers for its AIDC business and introducing the Group's AI compute and related business to them. As at the Latest Practicable Date, the Group's key clients in this regard span both industries and research institutions, including Tsinghua University, Fudan University, Shanghai Jiaotong University, Shanghai Artificial Intelligence Laboratory, Institute for Advanced Algorithms Research, Shanghai, and Hong Kong Broadband Network ("HKBN"). These partnerships underscore the Group's commitment to supporting AI research and commercial applications and the Group would be able to explore and develop further collaboration with those business partners such as the collaboration between the Group and HKBN as referred to in the paragraph below.

- Hong Kong Business – the Group has been both an integrator and a sales agent, assisting the Group's mainland AI partners in launching their businesses in Hong Kong, such as introducing the Group's mainland AI partners to the enterprises in Hong Kong and reselling their products to customers in Hong Kong. Additionally, as stated in the sub-paragraph above, the Group has entered into partnership with HKBN in providing GPU services tailored to the Hong Kong market through the AIDC of the Group by leasing servers in the Group's AIDCs to HKBN, further enhancing regional AI computing power collaboration. The leasing arrangement of the Group's servers in its AIDC to HKBN remains in force as at the Latest Practicable Date.
- One-stop solution services – the Group is engaged in the provision of computing technology solutions services tailor-made to meet customers' needs, which include but are not limited to the development of AI related software for enhancing the usability, comparability, and efficiency of AI models training and deployment in response to customer requests. Through selling the AI related software developed by the Group to its customers, the Group assists customers to optimise their AI models for superior performance, faster deployment, and improved scalability. The Group also assists customers to design or develop appropriate AI models to meet the customers' specific needs, and/or advance its existing AI models and software to reduce the computing power requirements without affecting their performance, thereby helping customers to reduce cost and enhance efficiency. The Group's one-stop solution services also include, if the customers require upgrade of their AI infrastructure, assisting customers to devise the appropriate advancement, source the relevant equipment and software for the customers or bridges the customers with suppliers of such equipment and software.

During the year ended 31 March 2025, the Group's AI compute and related businesses recorded revenue of approximately HK\$42,346,000, of which AI compute income (i.e. income generated from leasing servers in AIDCs to the Group's customers) amounted to approximately HK\$35,761,000 and other AI related income (mainly from provision of one-stop solution services) amounted to approximately HK\$6,585,000.

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The Group has a dedicated team for AI compute and related businesses under the supervision of Mr. Gu Meng. Mr. Gu, the senior vice president of Suanova Technology and General Manager of Shanghai Branch, is responsible for facilitating and developing AI compute and related businesses of the Group. Mr. Gu obtained the bachelor's degree in Electronic Engineering at Zhejiang University, and the master's degree in Business Administration at University of Alberta, Canada. He is an expert in semiconductor and AI industry. He has over 25 years' experience in semiconductor chip design, AI chip investment, and Hi-tech business management. Mr. Gu joined the Group in 2024. Mr. Gu's extensive expertise significantly bolsters the Group's AI compute initiatives. His experience and knowledge in semiconductor chip design and AI chip investment enables strategic oversight of investments in cutting-edge GPU and AI-related tech companies, fostering innovation as well as research and development of AI-related products and software.

As at the Latest Practicable Date, the Group's dedicated team for AI compute and related businesses comprised 12 employees of the Group. The majority of the members of the Group's AI team hold bachelor's or master's degrees in disciplines such as Electrical and Mechanical Engineering, Software Engineering, Science and Engineering, Science in Machine Learning, and the majority of them have 10-20 years' experience in system and architecture design, implementation, solutions, and consultancy services in high-performance computing, marketing and sales experience in software, hardware and Internet of Things (IoT) products, and solutions services, and some of them previously worked in leading technology companies and professional data centres.

Save as disclosed above (including the acquisition of minority stake in Clounix (Shanghai) Technology Limited* (雲合智網(上海)技術有限公司), the details of which are disclosed in the Company's circular dated 23 April 2025 and which was completed on 13 May 2025) and as contemplated under the Master Sale and Purchase (2025-2028) Agreement, as at the Latest Practicable Date, the Group has no concrete specific upcoming business plan for the Group's AI compute and related businesses.

As mentioned above, the investment targets of the Group include leading domestic fabless companies specialised in design and manufacturing of GPU and high-performance network switches, which are key AIDC parts and components. Not only that the Group will require such parts and components for its AIDC business, customers of the Group's AI business also require such parts and components to support their AI computing power development. Leveraging the investment relationship between the Group and such AI tech companies, the Group is capable of sourcing such products from its invested entities at more competitive pricing terms and with more favourable delivery time. At the same time, to the best knowledge of the Company, the Group is not required by any laws or regulations to obtain any license or approval for carrying on distributorship business of AIDC parts and components. As such, the Group sees the business opportunity to act as distributor of its invested entities by sourcing those AIDC parts and components at competitive pricing terms and sell such goods as Yeebo Products to the Group's customers at a markup. As at the Latest Practicable Date, the Group has acted as a distributor of an invested entity and has been sourcing various AIDC parts and components from such invested entity. Yeebo Products are specialised Hi-tech products, but the Group is

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able to source them not only from its invested entity(ies) but also from other suppliers that produce identical or similar products. In addition, the Group can also source other Yeebo Products from other suppliers that its invested entities do not have. The Group has connection with other invested entities from whom the Group may source AIDC parts and components as and when needed. Given it is a new business initiative for the Group, the Group will start the distributorship arrangement with suppliers (such as the invested entity) that the Group has relationship and whose products meet the specifications that the Group's customers require and will gradually expand to other suppliers where appropriate. Fang Group, among others, is the Group's first batch of customers to target. Once the Group starts to gain more trust from both suppliers and customers as and when the Group continues to operate its distributorship business, the Group can gradually expand both its suppliers and customers over time. Although the Group is currently the distributor of one invested entity only, the Group strives to enter into distributorship agreements with more Independent Third Party suppliers in the future when business grows.

As a distributor, the Group not only can extend its scope of business and diversify its source of revenue but also can offer its customers a complete solution or product assortment from multiple suppliers, whereas it would not be practical for consumers or small retailers to coordinate with numerous manufacturers for every single purchase given the administrative work, time, and shipping complexity involved. It is the intention of the Group to enter into distributorship agreements with more suppliers and to sell their distributed products not only to Fang Group but also to other Independent Third Party customers as the business scales up.

By virtue of the foregoing, the Group positions itself as a super integration solution provider to its client by acting as an intermediary that supports both upstream suppliers and downstream customers in the AI ecosystem. To suppliers, the Group, via acting as a distributor, help the suppliers to expand their customer base and enter into new market in other geographical areas (e.g. the Group has successfully assisted a PRC GPU manufacturer to expand its market to Hong Kong); to customers, the Group provides tailor-made one-stop solution based on their needs as more particularly set out under the bullet point “One-stop solution services” above. In particular, as a distributor, the Group can join hands with giant AI tech companies to introduce advanced and high quality technologies and hardware from the PRC to Hong Kong and then to the world, thereby laying a solid foundation for the Group's vision to become a leading AI enterprise.

The infrastructure (being hardware such as the servers) required by the Group for its AI compute and related businesses are highly specialised to cater for customers which require advanced computing power to process, handle and store huge volume of data within a short time. These AI servers are specifically built to handle the demands of AI workloads, which is capable to support and optimise AI models such as large language models (LLM) in order to support real-time data-processing and communication, thereby accelerate and optimise performance for large to hyper-scale AI projects and research initiatives. The Group's AI servers are designed to meet the general needs of customers which require the Group's AIDC services and can be easily fine-tuned or modified to suit the specific needs of its customers if required. Research and development of such hardware involve substantial human resources

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with relevant expertise, capital as well as time. In this connection, the Group plans to focus its resources on its current AI compute and related businesses (namely capital investment, AI compute services, software development and distributorship business). Therefore, the Group acquires such hardware from third party suppliers rather than building up its own team for such purpose.

In view of the tremendous potential in the PRC's AI industry, Fang Group has also started its AI business focusing on hardware development since 2023. Fang Group principally focuses on the development and sales of integrated high-density compute servers and related products. Fang Group, which has a team of experts and professionals in AI industry, has been working in collaboration with third party(ies) manufacturers, to develop and manufacture condensed computer servers with advanced powerful computing capacity to store, manage, and process massive amounts of data in high-speed and with high-performance. According to information provided by Fang Group, Fang Group's AI team currently comprises 3 members, which is led by an industry expert who has more than 25 years of experience in the chip and artificial intelligence industry, covering research and development, management and operations, who holds a bachelor of Engineering in Microelectronics Technology degree and an EMBA degree, whereas the other two members also have approximately 20 years of experience in information technology – one holding degree in Electronic and Information Engineering who has over 23 years of experience in Central Processing Unit (CPU) and server validation and design and relevant experience in research and development project management as well as supply chain maintenance and management and the other having almost 20 years' experience in the development and execution of strategic business plans and client and team management particularly in the technology and telecommunication industries. Based on information provided by Fang Group, Fang Group has recently completed its research and development phase and its first generation of advanced high-density computer server, the "Shanghai Cube", has just been launched at the World Artificial Intelligence Conference (WAIC) 2025 held in Shanghai (from 26 to 29 July 2025). WAIC is one of the most influential AI events within the global tech, science, and industry ecosystem and the launch of "Shanghai Cube" has received much fanfare. The experts of the Group's AI team have examined the computer servers developed by Fang Group, and are satisfied that the specifications of such servers are compatible with the Group's requirements for its AI compute and related businesses, whereas such servers will be fine-tuned pursuant to the Group's specific request to better serve the Group's AI compute and related businesses.

The key parts and components of the Group's AI servers used in its AIDC are currently GPU chips, central processing unit chips, high-performance storage, optical modules and switches. These parts and components are commonly required for AI servers and are readily available in the market with a spectrum of specifications that can meet the needs of the different customers. As such the Group does not envisage any difficulty in sourcing such AIDC parts and components.

In this connection, the Group intends to trade, distribute and source such AIDC parts and components as Yeebo Products (including GPU cards) and sell to the Group's customers, including members of Fang Group which will require Yeebo Products (including GPU cards)

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in producing Fang Group Products. On the other hand, whilst the existing infrastructure at the Group's AIDC were acquired from Independent Third Party suppliers, considering Fang Group's expertise in the AI industry especially its research and development of hardware and that Fang Group is acquainted with the Group's needs (such as the computing power required) for its AI infrastructure, including Fang Group as one of the Group's suppliers will bring benefit to the Group's business needs for its AI compute and related businesses.

Fang Group has absolute discretion to determine whether to purchase Yeebo Products from members of the Group after considering factors such as specifications, price and quality of the relevant Yeebo Products and the same, similar or comparable products sold by third party suppliers, and Fang Group will purchase Yeebo Products when it considers such purchase is beneficial to Fang Group. Fang Group has indicated to the Group that, where the Group and third party suppliers offer to sell the same products to Fang Group at the same price and other terms are substantially similar, Fang Group is inclined to purchase Yeebo Products, not only to support the business and development of the Group, from which Mr. FANG can benefit through its indirect shareholding in the Company, but also in view of the cost-effectiveness brought about, given members of the Group on the one hand and members of Fang Group on the other hand are acquainted with, and better understand the business needs and operation of, each other. In particular, Mr. FANG, who holds significant roles in both the Group and Fang Group, serves as a key communication channel, facilitating negotiation and communication between the Group and Fang Group. This familiarity and acquaintance reduces negotiation time and costs, streamlines communication, aligns needs efficiently, and minimises misunderstandings, leading to faster decisions and lower transaction costs, which is mutually beneficial to the Group and Fang Group. For reasons explained above, when Fang Group needs various AIDC parts and components, it would be more cost-effective for Fang Group to rely on the Group's sourcing capability and order from the Group the required AIDC parts and components. The Group understands from Fang Group that it is their strategy to outsource the procurement function so that it can focus its resources on its core competence, namely hardware development, including research and design, sales and marketing thereof.

Accordingly, via the Master Sale and Purchase (2025-2028) Agreement, on the one hand the Group may sell AIDC parts and components and related software to be sourced from third party suppliers as Yeebo Products to members of Fang Group, and on the other hand Fang Group will sell and provide computer servers and related systems and services as Fang Group Products, and the Group may, depending on its business needs, purchase any such Fang Group Products from Fang Group. Fang Group Products, which include condensed, advanced high-performance servers, being core infrastructure for AIDCs, enable the Group to scale up its AI capacity, thereby better serve its existing clients, capture new business opportunities and strengthen its competitive positioning to meet the growing demand for proof of concept and orders for the Group's domestic AI compute services.

Moreover, so far as Sale of Yeebo Products is concerned, the Group is capable of sourcing such products from its invested entities at more competitive pricing terms as explained above and make profits with reference to the markup to be applied on such products under the resale business model. The pricing policies require, as regards the Sale of Yeebo Products, that the

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Group may only sell Yeebo Products to Fang Group under the Master Sale and Purchase (2025-2028) Agreement if the overall terms and conditions (including but not limited to price, payment terms and credit terms) as a whole offered by the relevant member of the Group to the relevant member of Fang Group are no less favourable to the relevant member of the Group than those offered to Independent Third Parties. In particular, in respect of products of the same specifications and quality and assuming other terms are substantially the same, the Group will only sell Yeebo Products to Fang Group where the price offered to Fang Group is equal to or higher than that offered to Independent Third Parties, i.e. the markup on Yeebo Products to be sold to Fang Group will be higher than or at least equal to that on identical or comparable goods sold to the Group's other customers. Therefore, the profit margin arising from the Sale of Yeebo Products contemplated under the Master Sale and Purchase (2025-2028) Agreement will be higher than or at least equal to the sale of the identical or comparable products by the Group to Independent Third Parties, but the Sale of Yeebo Products to Fang Group will be carried out in a more cost-effective manner considering the familiarity and acquaintance between the Group and Fang Group as explained above. Furthermore, distributorship business model benefits suppliers and customers by bridging the gap between manufacturing and fragmented consumer needs. As explained above, the Group has a role to play in light of its connection with the invested entities and other AI tech companies. In particular, the indent trading approach for Yeebo Products mitigates the risk of unsold inventory (which may become outdated and obsolete as the technology develops) after sourcing from suppliers, thereby enhancing the Group's cash flow. This approach also reduces storage costs by eliminating the need to hold inventory while awaiting customers.

So far as Sourcing of Fang Group Products is concerned, the pricing policies require that the Group may only purchase Fang Group Products under the Master Sale and Purchase (2025-2028) Agreement if the overall terms and conditions (including but not limited to price, payment terms and credit terms) as a whole offered by the relevant member of Fang Group to the relevant member of the Group shall be no less favourable to the relevant member of the Group than those offered by Independent Third Parties, in particular, in respect of products of the same specifications and quality and assuming other terms are substantially the same, the Group will only purchase from Fang Group where the price offered by Fang Group is equal to or lower than that offered by Independent Third Party suppliers, allowing the Group to source Fang Group Products, which are crucial and necessary for the organic expansion of the Group's AIDC, at equal or even more competitive terms.

Accordingly, the Group will benefit from the Master Sale and Purchase (2025-2028) Agreement for (i) it will be able to grow its businesses with reasonable profit margins and (ii) it will be able to acquire the latest models of Fang Group Products for its use from Fang Group at fair and reasonable prices.

For the avoidance of doubt, the Group acquires Fang Group Products for its own use but not for resale, and will only dispose of Fang Group Products to Independent Third Parties where such products are no longer fit for the Group's own use or the Group has found better replacement.

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The cooperation between the Group and Fang Group represents a win-win situation. The Company will sell Yeebo Products (including GPU cards) which Fang Group will use for manufacturing Fang Group Products (including servers), which will then be sold to Fang Group's customers, including the Group for operating AIDC business. Whilst the Master Sale and Purchase (2025-2028) Agreement represents the Group's and Fang Group's relatively initial step in the AI industry, it is expected that it will enable both the Group and Fang Group to gradually expand their market share in their respective area in the AI market.

For the avoidance of doubt, whilst the Group is actively pursuing business opportunities to expand into AI compute and related businesses, Displays business continues to be the Group's core business. The expansion into the AI compute and related businesses and carrying out of transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement will not affect the Group's existing Displays business, and the Group's business plan and corporate growth strategy in respect of its Displays business remains unchanged. The Group has no intention to downsize or cease its existing Displays business. Rather, the Group intends to continue to operate and develop its Displays business and in this connection, the Group has implemented a flexible and forward looking growth strategy, focusing on continuous innovation in production technology, strengthening strategic partnerships with key customers, and expanding the Group's product portfolio to include medium and large-sized displays. The Group believes that these initiatives are laying a robust foundation for the long term growth and competitiveness of the Group's Displays business.

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, together with the principal factors and reasons considered in arriving at such advice, of the Independent Financial Adviser) consider that the terms of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and it is in the interests of the Company and the Shareholders as a whole to enter into the Master Sale and Purchase (2025-2028) Agreement for the reasons set forth above.

Listing Rules Implications

As at the Latest Practicable Date, Mr. FANG is a Director, and as such Mr. FANG is a connected person of the Company, and hence the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the annual caps of the Master Sale and Purchase (2025-2028) Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Save for Mr. FANG who is considered to be interested in the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder and has abstained from voting on the board resolution approving the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder, no other Directors are required to abstain from voting on the board resolution approving the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder.

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An Independent Board Committee has been established to advise the Independent Shareholders on the Master Sale and Purchase (2025-2028) 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 Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder and its associate(s) must abstain from voting on the relevant resolution(s) at the AGM. 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 Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder to be put forward at the AGM.

Save as disclosed in this supplemental circular, the Directors are not aware of any Shareholders who are required to abstain from voting on the resolution(s) in respect of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder to be put forward at the AGM.

General Information of the Parties

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), LCDs modules (LCMs), Thin Film Transistor modules (TFTs) and Capacitive Touch Panel modules (CTPs) and (ii) providing AI compute and related services.

Mr. FANG

Mr. FANG is an executive Director and the chairman of the Board.

3. SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

As set out in the 2025 AGM Circular and the 2025 AGM Notice, the Company will convene the AGM at Tianshan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 25 August 2025, at 11:00 a.m.. At the AGM, a resolution will be proposed for the purposes of, among others, considering and, if thought fit, approving the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder. The supplemental notice of the AGM is set out on pages 50 to 51 of this supplemental circular.

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The resolutions which are originally scheduled to be put forward to the AGM for approval as contained in the 2025 AGM Notice remain unchanged.

The Revised Proxy Form for use at the AGM is accompanied herewith. The Revised Proxy Form has also been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.yeebo.com.hk).

Whether or not you are able to attend the AGM or any adjournment or postponement thereof (as the case may be) in person, please complete the Revised Proxy Form 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 AGM or any adjournment or postponement thereof. Completion and return of the Revised Proxy Form shall not preclude you from attending and voting at the AGM or any adjourned or postponed meeting should you so wish.

Shareholders who have not completed and returned the Original Proxy Form are required to complete and return the Revised Proxy Form. Under such circumstances, they are not required to return the Original Proxy Form.

Shareholders who have completed and duly returned the Original Proxy Form must pay attention to the following:

- (a) if the Revised Proxy Form is not completed and duly returned, or if the Revised Proxy Form is returned later than 48 hours before the time stipulated for convening the AGM, and the Original Proxy Form has been correctly completed and returned, then the Original Proxy Form will be deemed as the valid form of proxy returned by you. The proxy appointed by you under such form of proxy will be entitled to vote at his/her discretion or abstain from voting on the supplemental resolution duly submitted to the AGM according to this supplemental circular; and
- (b) if the Revised Proxy Form is completed and returned not less than 48 hours before the time stipulated for convening the AGM, then the Revised Proxy Form will supersede and replace the Original Proxy Form previously returned by you. The Revised Proxy Form, if correctly completed, will be deemed to be the valid form of proxy returned by you.

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 relating to the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder to be considered and, if thought fit, approved at the AGM will be voted by way of poll by the Independent Shareholders.

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4. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 27 of this supplemental circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolution to approve the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder; (ii) the letter from Ballas Capital, the Independent Financial Adviser, set out on pages 28 to 44 of this supplemental 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 Independent Shareholders in respect of the fairness and reasonableness of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder; and (iii) additional information set out in the appendix to this supplemental 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 the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and are entered in the ordinary and usual course of business of the Group, 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 AGM in respect of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder.

The Board considers that the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder are fair and reasonable; on normal commercial terms or better and in the ordinary and usual course of business of the Group; 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 AGM in respect of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Board

Fang Yan Tak, Douglas

Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

8 August 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS – MASTER SALE AND PURCHASE (2025-2028) AGREEMENT

We refer to the supplemental circular of the Company dated 8 August 2025 (the “**Supplemental Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Supplemental 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 Independent Shareholders in respect of the terms of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder, details of which are set out in the Supplemental 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 26 and pages 28 to 44 of the Supplemental 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 the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and are entered in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the AGM in respect of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Ballas Capital to the Independent Board Committee and the Independent Shareholders for incorporation in this supplemental circular.



5/F Capital Centre
151 Gloucester Road
Wanchai, Hong Kong

8 August 2025

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS – MASTER SALE AND PURCHASE (2025-2028) AGREEMENT

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps (as defined below)), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the supplemental circular of the Company (the “**Circular**”) to the Shareholders dated 8 August 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 30 June 2025 (after trading hours), the Company entered into the Master Sale and Purchase (2025-2028) Agreement with Mr. FANG regarding sale of Yeebo Products by the Group to Fang Group and sourcing of Fang Group Products by the Group from Fang Group.

As at the Latest Practicable Date, Mr. FANG is a Director, and as such Mr. FANG is a connected person of the Company, and hence the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the annual caps of the Master Sale and Purchase (2025-2028) Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular, Shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the counterparties of the continuing connected transactions or their respective core connected persons or associates. In the two years immediately preceding the Latest Practicable Date, we were appointed as the independent financial adviser of the Company regarding a connected and discloseable transaction in relation to the acquisition of Suanova Smartmodel Limited as disclosed in the Company's circular dated 23 April 2025 (the "IFA Engagement"). Save for the IFA Engagement, we did not have any other relationship with or interests in the Company, the counterparties of the continuing connected transactions 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. Furthermore, our remuneration for the IFA Engagement represented normal professional fees and did not affect our independence. Accordingly, we consider we are eligible to give independent advice on the Master Sale and Purchase (2025-2028) Agreement and the Proposed Annual Caps.

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 AGM. 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. The documents we reviewed included (i) the Master Sale and Purchase (2025-2028) Agreement; (ii) the calculation of the Proposed Annual Caps; (iii) correspondences between the Group and Fang Group; and (iv) the Circular. We have not, however, conducted an independent verification of the information nor have we conducted any

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

form of in-depth investigation into the businesses and affairs or the prospects of the Company, the counterparties of the Master Sale and Purchase (2025-2028) Agreement 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. Information on the parties

1.1 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 (TFTs) and Capacitive Touch Panel modules (CTPs) and (ii) providing AI compute and related services.

1.2 Mr. FANG

Mr. FANG is an executive Director and the chairman of the Board.

2. Background of the Group

2.1 Reasons for and benefits of entering into the Master Sale and Purchase (2025-2028) Agreement

As set out in the Letter from the Board, China is rapidly evolving into an AI “super market” with the application of frontier technology woven into the fabric of a wide range of sectors in its economy. The Chinese government pledges to support the extensive application of large-scale AI models and to vigorously develop new-generation intelligent terminals and smart manufacturing equipment. Accordingly, the rapid growth of AI industry in recent years has led to a rising demand for AIDC.

Since June 2023, the Group has undergone an expansion into AI compute and related businesses and has been taking steps to make significant studies in the emerging high-growth area. In this connection, the Group intends to trade, distribute and source Yeebo Products and sell to the Group’s customers including members of Fang Group. On the other hand, Fang Group intends to supply and sell computer servers and related systems and services to its customers including members of the Group.

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Accordingly, via the Master Sale and Purchase (2025-2028) Agreement, on the one hand the Group may sell AIDC parts and components and related software to be sourced from third party suppliers as Yeebo Products to members of Fang Group, and on the other hand Fang Group may sell and provide computer servers and related systems and services as Fang Group Products, and the Group may depending on its business needs purchase any such Fang Group Products from Fang Group.

The Group will benefit from the Master Sale and Purchase (2025-2028) Agreement for (i) it will be able to grow its businesses with reasonable profit margins and (ii) it will be able to acquire the latest models of Fang Group Products for its use from Fang Group at fair and reasonable prices.

3. The Master Sale and Purchase (2025-2028) Agreement

3.1 *Principal terms of the Master Sale and Purchase (2025-2028) Agreement*

Major terms of the Master Sale and Purchase (2025-2028) Agreement are summarised below:

Subject matter & Major Terms

Sale of Yeebo Products

Each member of Fang Group may, at its absolute discretion, request to purchase Yeebo Products from members of the Group. If any member of Fang Group so requests or makes a written offer to any member of the Group to purchase from the Group any Yeebo Products, the Company may, at its absolute discretion, procure the relevant member of the Group to supply such Yeebo Products to the relevant member of Fang Group.

Sourcing of Fang Group Products

Each member of the Group may, at its absolute discretion, request to purchase its required Fang Group Products from members of Fang Group. Upon receiving purchase request from members of the Group, Mr. FANG may, at his absolute discretion, procure the relevant member of Fang Group to sell to the relevant member of the Group the required Fang Group Products.

General terms

The terms and conditions (including price and payment terms) of any sale and purchase conducted pursuant to the Master Sale and Purchase (2025-2028) Agreement shall be agreed between relevant member(s) of the Group and Fang Group in writing by

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Sale and Purchase (2025-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Subject to mutual agreement, the relevant member of the Group has the right to sell, resell or otherwise distribute Fang Group Products which it has acquired from the relevant member of Fang Group to any person at such price as such member of the Group may in its absolute discretion determine.

Term

The Master Sale and Purchase (2025-2028) Agreement has a term of commencing from 30 June 2025 or the Approval Date (whichever is later) to 31 March 2028 (both days inclusive).

Conditions precedent

The Master Sale and Purchase (2025-2028) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Sale and Purchase (2025-2028) Agreement, including but not limited to obtaining Independent Shareholders' approval at the AGM.

Pricing policy and basis of price determination

The overall terms and conditions (including but not limited to price, payment terms and credit terms) as a whole offered by the relevant member of Fang Group to the relevant member of the Group shall be no less favourable to the relevant member of the Group than those offered by Independent Third Parties and shall be on normal commercial terms or better. Each individual agreement shall be negotiated on an arm's length basis.

In determining whether the overall terms and conditions are no less favourable to the relevant member of the Group than those offered by Independent Third Parties, the Group will take into account all relevant factors including the fair market price ranges and pricing terms of products of identical, or (if that is not available) of comparable or similar quality, specifications, quantities, required time of delivery, etc. offered by Independent Third Parties in the market as at the time when the individual agreement is entered into.

Our view on pricing policy and basis of price determination

There is no historical transaction of the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement. Therefore, in assessing the fairness and reasonableness of the pricing basis, we have reviewed the internal control procedures (the "**Internal Control**") that the Company will put in place to regularly monitor the market

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

prices of Yeebo Products and Fang Group Products to ensure the proper determination of the unit selling price of Yeebo Products and Fang Group Products. According to the Internal Control, the Group will implement the following procedures.

- a. For Yeebo Products, the unit selling price will be determined with reference to the target price of identical, comparable or similar products the Group intends/manages to set for other customers together with the sourcing cost, the indicative range of selling prices/recommended retail price set by suppliers and the recommended markup rate based on the market research report to be obtained from independent adviser(s) such as professional market research firms and financial advisory and consulting firms, which can be obtained from the market or commissioned to be prepared half-yearly. The Group would only accept orders from Fang Group for the Sale of Yeebo Products if Fang Group offers terms of purchase that are no less favourable to the Group than those offered by Independent Third Parties for identical, comparable or similar products (as the case may be) (if available). If there are no similar or comparable offers from Independent Third Parties, Yeebo Products offered to Fang Group will be sold within a range of recommended markup rates as set out in the market research report. This mechanism ensures that the selling price of Yeebo Products will be aligned with the market price of comparable products sold to independent customers. In the case when such a market price is not available, the selling price of Yeebo Products will instead be determined based on a profit margin comparable to market standards, as outlined in an independent market report obtained at least half-yearly and prior to the entering into an individual agreement for Yeebo Products. As part of the Internal Control procedures, this pricing mechanism will be executed by the sales department of the Group, reviewed and approved by the respective managers of the finance and legal departments of the Group, thereby ensuring proper segregation of duties and effective oversight. Based on the above, we consider that the Internal Control ensures that the pricing policy under the Master Sale and Purchase (2025-2028) Agreement is conducted on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties.

- b. For Fang Group Products, the procurement department of the Group will obtain and compare prices of similar or comparable products offered by not less than two Independent Third Party suppliers (if available). If there are no similar or comparable products from Independent Third Party suppliers, the procurement department of the Group will obtain quotation information on the sale of Fang Group Products by Fang Group to Independent Third Parties from Fang Group to ensure that the unit selling prices of Fang Group Products offered by Fang Group to the Group shall be not higher than those offered by Fang Group to Independent Third Parties. This pricing mechanism ensures that the selling price of Fang Group Products will be comparable to the market price of similar products offered by Independent Third Party suppliers or shall be not higher

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

than those offered by Fang Group to Independent Third Parties. As part of the Internal Control procedures, this pricing mechanism will be executed by the procurement department of the Group, reviewed and approved by the respective managers of the finance and legal departments of the Group, thereby ensuring proper segregation of duties and effective oversight. Based on the above, we consider that the Internal Control ensures that the pricing policy under the Master Sale and Purchase (2025-2028) Agreement is conducted on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties.

Based on the above, we consider that the Internal Control can ensure that the unit selling prices of Yeebo Products and Fang Group Products are determined on terms no less favourable to the Group than those offered by the Independent Third Parties. Therefore, we consider that the terms of the Master Sale and Purchase (2025-2028) Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

3.2 Fairness and reasonableness of the Proposed Annual Caps

Proposed Annual Caps

The table below sets out the proposed annual caps for (i) Sourcing of Fang Group Products and (ii) Sale of Yeebo Products pursuant to the Master Sale and Purchase (2025-2028) Agreement for the eight months ending 31 March 2026 (“**8M2026**”), the year ending 31 March 2027 (“**FY2027**”) and 2028 (“**FY2028**”) (collectively the “**Proposed Annual Caps**”):

	8M2026 <i>HK\$'000</i>	FY2027 <i>HK\$'000</i>	FY2028 <i>HK\$'000</i>
Sourcing of Fang Group Products	210,000	410,000	410,000
Sale of Yeebo Products	450,000	460,000	480,000

Note: For the avoidance of doubt, the above Proposed Annual Caps are exclusive of tax.

As set out in the Letter from the Board, the Proposed Annual Caps for Sourcing of Fang Group Products were determined based on (i) the Group’s estimated demand for Fang Group Products for the three years ending 31 March 2028, with reference to the Group’s estimated capital expenditure on the expansion of the Group’s AIDC business and expected market demands for the Group’s products and services; (ii) the expected unit prices of Fang Group Products for the three years ending 31 March 2028; and (iii) a buffer for fluctuation of market prices and change in specifications.

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The Annual Caps for Sale of Yeebo Products were determined based on (i) Fang Group's estimated demand for Yeebo Products for the three years ending 31 March 2028; (ii) the expected unit prices of Yeebo Products for the three years ending 31 March 2028; and (iii) a buffer for fluctuation of market prices and change in specifications.

In our assessment of the fairness and reasonableness of the Proposed Annual Caps, we have reviewed and discussed with management of the Group on the underlying calculation. From our review of the aforesaid calculation and discussion with management of the Company, we have taken into consideration the following:

Sourcing of Fang Group Products

In determining the estimated purchase volumes of Fang Group Products for 8M2026, FY2027 and FY2028, the Group has considered the business plan for the respective periods. As explained under the paragraph headed "Reasons for and benefits of entering into the Master Sale and Purchase (2025-2028) Agreement" above, the Group has undergone an expansion into AI compute and related businesses and has been taking steps to make significant studies in the emerging high-growth area since 2023.

Fang Group Products are mainly condensed computer servers with advanced powerful computing capacity to store, manage, and process massive amounts of data in high-speed and with high-performance to support the AIDC business of the Group. Computer servers built with GPUs (which are specialised processors developed to accelerate graphics rendering and for many types of heavy parallel computation tasks) are the core building blocks of AIDC market, providing the computing power, storage, and connectivity required for AI workloads. Currently the Group operates over 3,000 GPU card clusters across AIDCs in Hong Kong and Shanghai. The key clients span both industries and research institutions, including Tsinghua University, Fudan University, Shanghai Jiaotong University, Shanghai Artificial Intelligence Laboratory, Institute for Advanced Algorithms Research, Shanghai, and Hong Kong Broadband Network. Given that the Group only began expanding into AIDC in mid-2023, it has grown over the past two years and is now operating over 3,000 GPU card clusters. Based on such historical expansion pace, the Group expects to expand approximately 1,300 GPU card clusters for 8M2026 and 2,600 GPU card clusters for each of FY2027 and FY2028 depending on its business needs. The China AIDC market is poised for exceptional growth in the coming years, fuelled by rapid adoption of AI-driven applications, digitization across manufacturing and logistics, and substantial investments in digital infrastructure. According to Grand View Research (<https://www.grandviewresearch.com/horizon/outlook/ai-data-center-market/china>), China's AI data center market is forecast to expand from US\$1,075.6 million in 2024 to US\$5,902.8 million by 2030, reflecting an impressive compound annual growth rate of 32.9% from 2025 to 2030, with hardware demand (particularly AI servers) leading the surge. Supporting publications such as:

- Mordor Intelligence (<https://www.mordorintelligence.com/industry-reports/china-artificial-intelligence-ai-data-center-market>); and

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- ResearchAndMarkets.com (<https://www.researchandmarkets.com/reports/5239532/china-data-center-market-share-analysis>)

consistently highlight China as the Asia-Pacific region's fastest-growing AIDC market, driven by government industry policy, e-commerce demand, and accelerated digital transformation initiatives. Given the strong growth prospects of the AIDC market, we believe it is reasonable for the Group to expect to achieve rapid expansion in this sector. Therefore, we consider that the Group's business expansion plan provides a reasonable basis for projecting the purchase volumes of Fang Group Products in the Proposed Annual Caps.

The unit selling price of Fang Group Products for 8M2026 is determined based on preliminary quotation from Fang Group. To assess the reasonableness of the quotation provided by Fang Group, the Company has made reference to indicative price of products with similar specifications (mainly in terms of number of GPUs) of independent suppliers. We have reviewed the price indication correspondences from independent suppliers, and note that AI computer models with different number of GPUs have different price range and the model with the same GPUs as the Fang Group Products offer comparable pricing to the preliminary quotation from Fang Group. Therefore, we consider the quotation from Fang Group provides a reasonable basis for estimating the selling price. The Company has assumed the unit selling prices to remain unchanged for FY2027 and FY2028 for prudence sake.

In preparing the projection of annual caps, a buffer (the “**Fang Group Buffer**”) of approximately 8%, 5% and 5% is included in the Proposed Annual Caps for Sourcing of Fang Group Products for 8M2026, FY2027 and FY2028, respectively to provide for flexibility to cater for the expected significant growth of the AIDC hardware segment in the PRC and as a safety net for unexpected demand. A detailed analysis of the Fang Group Buffer is discussed below.

Sale of Yeebo Products

The Group estimated the sales volumes of Yeebo Products based on the projection of 6,600, 6,800 and 7,000 GPU cards for 8M2026, FY2027 and FY2028 respectively, provided by Fang Group, which we consider is a reasonable basis for estimation. To the best knowledge of the Company, Fang Group takes into account various factors, including indicative demand from potential customers, such as the Group itself, which is proactively expanding into AI compute and related fields, alongside the Group's intensified investments and initiatives aimed at becoming a key player in China AI market. Fang Group also accounts for the anticipated surge in demand for AIDC products stemming from the rapid growth and emerging trends in China's AI sector. This growth is being propelled by government efforts to broadly promote large-scale AI models, smart terminals, and intelligent manufacturing. Additionally, Fang Group evaluates the potential competitive landscape as part of its overall projection strategy.

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As there is no historical transaction of Sale of Yeebo Products and the Group has yet to set the selling price of these products (which will only be set when the products are launched to the market with reference to then market conditions), for the sole purpose of determining the Proposed Annual Caps, the unit selling price of Yeebo Products is estimated based on a “cost plus margin” formula. Costs of Yeebo Products for 8M2026 are estimated based on quotation from independent supplier of the products whereas the margin (which is equivalent to gross profit margin of the products) is estimated based on the Company’s best knowledge of market rates (the “**Fixed Gross Margin**”). The Company has assumed the unit selling prices to remain unchanged for FY2027 and FY2028 for prudence sake.

We have reviewed the quotation from the independent supplier and note that the price is consistent with that adopted in arriving at the Proposed Annual Caps.

Yeebo Products are broadly categorised as artificial intelligence data centre (AIDC) parts and components and related software. Sale of Yeebo Products under the Master Sale and Purchase (2025-2028) Agreement is regarded as distribution of AIDC parts and components and related software. Therefore, to determine whether the unit selling price of Yeebo Products is reasonable, we have assessed whether the Fixed Gross Margin applied by the Company in determining the Proposed Annual Caps for Yeebo Products is reasonable. In this regard, we have conducted research on the gross profit margins of listed companies which are engaged in the trading and distribution of intelligence data centre hardware and software (the “**Margin Comparables**”). The Margin Comparables were selected for our analysis because Sale of Yeebo Products are also considered distributions of AIDC products. This reflects the same business activities undertaken by the Margin Comparables. The Margin Comparables consist of major distributors of AIDC parts and components, as well as hardware and related software, which are major products in the AIDC market. As there is no evidence to suggest that profit margins derived from distributing AIDC parts and components differ substantially with the distribution of hardware and related software products, the Margin Comparables offer a fair and representative basis for benchmarking the gross profit margins typically adopted by AIDC distributors in the market. The result of our findings is set out in the table below.

Name of company and stock code	Principal business	Market capitalisation (US\$' million)	Gross profit margin
VSTECS Holdings Limited (856.HK)	Distributor of AI servers, storage, networking and GPUs	1,701	4.4%
Digital China Holdings Limited (861.HK)	A major information technology (“IT”) and enterprise hardware distributor	652	13.8%
Digital China Group Co., Ltd (000034.CH)	A major distributor of IT hardware (servers, storage, networking) and software	3,939	4.2%
TD SYNNEX Corporation (SNX US)	A leading global distributor and solutions aggregator for the IT ecosystem (including servers, GPUs, networking, enterprise IT)	11,724	6.8%

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Name of company and stock code	Principal business	Market capitalisation (US\$' million)	Gross profit margin
Arrow Electronics, Inc. (ARW US)	A major global distributor of data centre, enterprise hardware and electronics	5,980	11.8%
Avnet, Inc. (AVT US)	A leading global electronic component technology distributor and solutions	4,406	11.6%
ScanSource, Inc. (SCSC US)	A leading hybrid distributor connecting devices to the cloud across hardware, Software as a Service, connectivity and cloud	875	12.2%
WESCO International, Inc. (WCC US)	A leading distributor of electrical and data centre/IT infrastructure	10,174	21.6%
ePlus inc. (PLUS US)	A leading provider of technology solutions across the IT spectrum spanning security, cloud, data center, networking, collaboration, AI, service provider and critical infrastructure, and emerging solutions	1,712	27.5%
Dicker Data Limited (DDR AU)	A distributor of IT hardware, software, cloud, access control, surveillance and emerging technologies	1,041	14.6%
ALSO Holding AG (ALSN SW)	A leading European distributor of IT operation solutions including servers, networking, cloud and central processing units	3,876	7.3%
Bechtle AG (BC8 GR)	The largest German IT distributor of data centre, e-commerce and enterprise hardware	5,102	18.1%
Redington Limited (REDI IN)	One of India's top distributors of information technology, mobility, and other technology products including servers, GPUs and enterprise IT	2,242	11.6%
		Minimum	4.2%
		Maximum	27.5%
		Median	11.8%
		Average	12.7%
The Company			12.5%

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We note from the table above that the gross profit margins of the Margin Comparables range from approximately 4.2% to approximately 27.5%, with an average of approximately 12.7%. Despite the wide profit margin range observed, we do not consider there is any outlier that we should exclude from our analysis as all the Margin Comparables are principally engaged in the distribution of AIDC products and there is no objective, analytical reason to believe certain companies are fundamentally different from the Margin Comparables being selected. We note that the Fixed Gross Margin adopted by the Group in estimating the Proposed Annual Caps for the Sale of Yeebo Products is comparable with the average of the Margin Comparables, which we consider fair and reasonable. However, we have excluded the Company, which had a consolidated gross profit margin of approximately 12.5% for the year ended 31 March 2025 (“**FY2025**”) and a market capitalization of approximately HK\$2,165 million as at the Latest Practicable Date, from our analysis because over 90% of the Group’s revenue for FY2025 were generated from the Displays business, which is not related to the AIDC market.

In preparing the projection of annual caps, a buffer (the “**Yeebo Buffer**”) of approximately 4%, 3% and 5% is included in the Proposed Annual Caps for Sale of Yeebo Products for 8M2026, FY2027 and FY2028, respectively to provide for flexibility to cater for the expected significant growth of the AIDC hardware segment in the PRC and as a safety net for unexpected demand. A detailed analysis of the Yeebo Buffer is discussed below.

The Fang Group Buffer and the Yeebo Buffer

The Company applied the Fang Group Buffer and the Yeebo Buffer to accommodate market and price fluctuations and/or unexpected increase in demand for the Fang Group Products and the Yeebo Products, respectively. The Fang Group Buffer and the Yeebo Buffer fall within a narrow range of 3% to 8% with a slightly larger buffer (i.e. the Fang Group Buffer) to account for the greater uncertainty and risk in system-level sales in AI computer sales projection (i.e. the Fang Group Products) compared to the more broadly demanded GPU chips (i.e. the Yeebo Products). AI computers are complex systems, and demand can shift rapidly as new models or requirements emerge, or as software frameworks change. This variability justifies the Fang Group Buffer being higher than the Yeebo Buffer. As discussed with the management of the Company, AIDC hardware segment (which includes AIDC parts and components) in China is expected to experience significant growth. Consequently, the estimated transaction amounts for the Sourcing of Fang Group Products and the Sale of Yeebo Products may deviate from the original estimation significantly.

According to Horizon Grand View Research, the China AIDC market is projected to grow rapidly, from US\$1,075.6 million in 2024 to US\$5,902.8 million by 2030, reflecting a compound annual growth rate of 32.9% from 2025 to 2030. Given the rapid growth of the AIDC sector, we consider the application of the Fang Group Buffer and the Yeebo Buffer to accommodate potential additional demand to be justifiable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In considering whether it is a market practice to include a buffer in annual caps set for continuing connected transactions, we conducted research on the range of buffer incorporated into the annual caps of continuing connected transactions relating to sales and purchase of products by companies listed on the main board of the Stock Exchange, as extracted from their respective circulars to shareholders published since 1 January 2025. We noted that the buffer percentage ranges from 3% to 25%, with an average and mean of 11% and median of 10% (the “**Buffer Range**”).

Although these continuing connected transactions involve the sale or purchase of a wide range of materials/products/services to/from their connected persons and none of them specifically relates to computer servers and related systems and services (i.e. the Fang Group Products) or the sale and purchase of AIDC hardware and software (i.e. the Yeebo Products), the relevance of the Buffer Range lies in its role as a market reference for determining whether the buffers applied to the annual caps of Fang Group Products and Yeebo Products are reasonable. The Buffer Range represents the typical percentage cushion that is built into annual caps of continuing connected transactions in the market, even when the underlying products or services differ from those of Fang Group Products and Yeebo Products. By analysing a broad set of market transactions, the Buffer Range reflects general market practice for managing uncertainties such as unforeseen increases in demand, price fluctuations, or unexpected operation needs that may cause actual transaction amounts to deviate from original estimates. Although the Buffer Range is based on transactions unrelated to Fang Group Products and Yeebo Products, it serves as a reference point to assess whether the Fang Group Buffer and the Yeebo Buffer are in line with market practice. In this context, given that (i) the China AIDC market is projected to grow rapidly with an estimated compound annual growth rate of 32.9% from 2025 to 2030, we consider it is reasonable to include a buffer in the Proposed Annual Caps as the transaction amounts for the Sourcing of Fang Group Products and the Sale of Yeebo Products may deviate from the original estimation significantly; and (ii) as a reference, we note that despite the high growth of the AIDC market which warrants a higher buffer, the Fang Group Buffer and the Yeebo Buffer are set at a moderate level of 3% to 8% and are both within the Buffer Range and lower than the average buffer, which indicates that their buffers are not excessive. We therefore consider them to be reasonable.

Our view

Based on the factors, reasons and our analysis explained above and our review of the underlying calculation of the Proposed Annual Caps from the Company, we concur with the Directors’ view that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to set the Proposed Annual Caps for the Sourcing of Fang Group Products and the Sale of Yeebo Products at their respective proposed levels. However, as the Proposed Annual Caps relate to future events and are based on assumptions that may or may not remain valid for the whole period up to 31 March 2028, we express no opinion as to how closely the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement shall correspond to the Proposed Annual Caps.

3.3 *Internal control measures*

The Internal Control procedures for the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement are set out in the Letter from the Board. We note that:

- a. For Yeebo Products, the unit selling price will be determined with reference to the target price of identical, comparable or similar products the Group intends/manages to set for customers together with the sourcing cost, the indicative range of selling prices/recommended retail price set by suppliers and the recommended markup rate based on the market research report to be obtained from independent adviser(s) such as professional market research firms and financial advisory and consulting firms, which can be obtained from the market or commissioned to be prepared half-yearly. The Group would only accept orders from Fang Group for the Sale of Yeebo Products if Fang Group offers terms of purchase that are no less favourable to the Group than those offered by Independent Third Parties for identical, comparable or similar products (as the case may be) (if available). If there are no similar or comparable offers from Independent Third Parties, the Yeebo Products offered to Fang Group will be sold within a range of recommended markup rates as set out in the market research report. This mechanism ensures that the selling price of Yeebo Products will be aligned with the market price of comparable products sold to independent customers. In the case when such a market price is not available, the selling price of Yeebo Products will instead be determined based on a profit margin comparable to market standards, as outlined in an independent market report obtained at least half-yearly and prior to the entering into an individual agreement for Yeebo Products. As part of the Internal Control procedures, this pricing mechanism will be executed by the sales department of the Group, reviewed and approved by the respective managers of the finance and legal departments of the Group, thereby ensuring proper segregation of duties and effective oversight. Based on the above, we consider that the Internal Control ensures that the pricing policy under the Master Sale and Purchase (2025-2028) Agreement is conducted on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties.

For Fang Group Products, the procurement department of the Group will obtain and compare prices of similar or comparable products offered by not less than two Independent Third Party suppliers (if available). If there are no similar or comparable products from Independent Third Party suppliers, the procurement department of the Group will obtain quotation information on the sale of Fang Group Products by Fang Group to Independent Third Parties from Fang Group to ensure that the unit selling prices of Fang Group Products offered by Fang Group to the Group shall not be higher than those offered by Fang Group to Independent Third Parties. This pricing mechanism ensures that the selling price of Fang Group Products will be comparable to the market price of similar products offered by Independent Third Party suppliers or shall be not higher than those offered by Fang Group to Independent Third Parties. As part of the Internal Control procedures, this

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

pricing mechanism will be executed by the procurement department of the Group, reviewed and approved by the respective managers of the finance and legal departments of the Group, thereby ensuring proper segregation of duties and effective oversight. Based on the above, we consider that the Internal Control ensures that the pricing policy under the Master Sale and Purchase (2025-2028) Agreement is conducted on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties.

- b. The finance department of the Group would monitor on a monthly basis the continuing connected transactions carried out during the month and confirm the utilisation status of the annual caps to ensure that the Group still has sufficient room under the annual caps for carrying out the relevant continuing connected transactions. The Group will also set up periodic and quarterly targets for Sourcing of Fang Group Products and Sale of Yeebo Products respectively, from which it could project the approximate amount of sales and purchase with Fang Group. The Group will monitor the utilisation rate of the annual caps with reference to the projected transaction amounts and if it is anticipated that the annual caps may be exceeded if the Company is to carry out the proposed transactions as projected, the Company would take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules, including but not limited to revising the relevant annual caps before entering into the proposed transactions. This mechanism enables the Group to monitor and report the status of the annual caps effectively on a regular basis so that necessary action can be taken before annual caps are exceeded.

Our view

Based on the above, we consider that the Internal Control is sufficient and effective to ensure that (i) the unit selling prices of Yeebo Products and Fang Group Products are determined on normal commercial terms and on terms no less favourable to the Group than those offered by the Independent Third Parties; and (ii) the Proposed Annual Caps will not be exceeded (or if it is expected to be exceeded, the Company will consider measures to be taken in a timely manner, which include restricting the amount of the continuing connected transactions or re-complying with disclosure and independent shareholders' approval requirements under the Listing Rules).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. REQUIREMENTS BY THE LISTING RULES REGARDING THE CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder and confirm in the annual report that the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder have been entered into:
 - in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the Master Sale and Purchase (2025-2028) Agreement and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- (b) each year the auditors of the Company must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement:
 - has not been approved by the Board;
 - were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve provision of goods or services by the Group;
 - were not entered into, in all material respects, in accordance with the terms of the relevant agreement(s) under the Master Sale and Purchase (2025-2028) Agreement; and
 - have exceeded the Proposed Annual Caps.
- (c) the Company must allow, and ensure that the relevant counterparties to the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement allow, the Company's auditors sufficient access to their records for the purpose of reporting on the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or the auditors of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company cannot confirm the matters set out in paragraphs (a) and/or (b) above respectively. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

In light of the reporting requirements attached to the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement, in particular, (i) the restriction of the value of the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement by way of the Proposed Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement and the Proposed Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the transactions contemplated under the Master Sale and Purchase (2025-2028) Agreement and safeguard the interests of the Company and the Shareholders as a whole.

CONCLUSION AND RECOMMENDATION

Based on our analysis and work done set out above, we consider that the entering into of the Master Sale and Purchase (2025-2028) Agreement and the continuing connected transactions contemplated thereunder (including the Proposed Annual Caps) are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and 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 ordinary resolution to be proposed at the AGM in relation to the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

Yours faithfully,
For and on behalf of
Ballas Capital Limited

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 supplemental 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 supplemental 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

Name of Directors and chief executives	Number of shares and nature of interests			Percentage of Company's issued capital
	Personal interests	Spouse interests	Total	
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	250,000	100,000	350,000	0.04%
(Note (i))				

(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			Percentage of issued capital of Antrix	
	Personal interests	Through controlled	Total		
		corporations			
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	Percentage of issued capital of Fang Brothers
Personal interests	Total	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 2025 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 June 2025, Core Post Company Limited, which Mr. FANG indirectly owns 20% of its issued share capital (as landlord) and Suanova Technology (as tenant) entered into a tenancy agreement, pursuant to which Core Post Company Limited leased to Suanova Technology 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 2025 to 20 May 2026 (both days inclusive) with the monthly rental of HK\$39,872.

On 1 July 2025, Fang Brothers Knitting Limited, a direct wholly-owned subsidiary of Fang Brothers (as landlord) and Suanova Technology (as tenant) entered into a tenancy agreement, pursuant to which Fang Brothers Knitting Limited leased to Suanova Technology 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 1 August 2025 to 31 July 2026 (both days inclusive) with the monthly rental of HK\$15,800.

Given the aforesaid tenancy agreements ("Tenancy Agreements") each has a lease term of 12 months or less, the Group applies the recognition exemption under HKFRS 16 "Leases" and accordingly, the Group will recognise lease payments for short-term leases as an expense on a straight-line basis over the lease term instead of recognising a right-of-use asset and a lease liability in connection with the aforesaid Tenancy Agreements.

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.

As disclosed in the circular of the Company dated 23 April 2025, on 20 March 2025, Suanova Technology (as purchaser) and GLOBAL VAST LIMITED, which Mr. FANG directly owns 100% of its issued share capital (as vendor) entered into a share transfer agreement ("Share Transfer Agreement"), pursuant to which GLOBAL VAST LIMITED has conditionally agreed to sell, and Suanova Technology has conditionally agreed to purchase, 10,000 shares of Suanova Smartmodel Limited which represent 100% of its total issued share capital at the consideration of HK\$1.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Share Transfer Agreement 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 prior to the dissemination of the aforesaid circular, GLOBAL VAST LIMITED is directly wholly-owned by Mr. FANG and hence 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.

For details of the Share Transfer Agreement and the transactions contemplated thereunder, please refer to the circular of the Company dated 23 April 2025. Completion of the Share Transfer Agreement took place on 13 May 2025.

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 2025 (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 supplemental 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 supplemental circular with the inclusion of its letter dated 8 August 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 2025 (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 supplemental 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 (www.hkexnews.hk) and the website of the Company (www.yeebo.com.hk) for a period of 14 days from the date of this supplemental circular (both days inclusive):

- (a) the Master Sale and Purchase (2025-2028) Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out in this supplemental circular;
- (c) the letter from Ballas Capital, the Independent Financial Adviser, the text of which is set out in this supplemental circular; and
- (d) the written consent from Ballas Capital referred to in the section headed “Expert and Consent” in this appendix.

SUPPLEMENTAL NOTICE OF AGM



YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

Reference is made to the notice of the annual general meeting of Yeebo (International Holdings) Limited (the “**Company**”) dated 25 July 2025 (the “**2025 AGM Notice**”) which sets out the resolutions to be considered by the shareholders of the Company (“**Shareholders**”) at the annual general meeting to be held at Tianshan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong, on Monday, 25 August 2025, at 11:00 a.m. (the “**Meeting**”). This supplemental notice is supplemental to, and shall be read in conjunction with, the 2025 AGM Notice.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that in addition to the resolutions set out in the 2025 AGM Notice, as a special business the following resolution will be considered, and if thought fit, approved (with or without modification) by way of ordinary resolution by the Shareholders at the Meeting:

ORDINARY RESOLUTION

9. “THAT:

- (a) the Master Sale and Purchase (2025-2028) Agreement (as defined in the supplemental circular of the Company dated 8 August 2025, “**Supplemental Circular**”), the terms and the transactions contemplated thereunder (a copy of the agreement has been produced to the meeting and marked “A” and initialed by the chairman of the Meeting for the purposes of identification), together with the relevant proposed annual caps in relation to such transactions for the three financial years ending 31 March 2028 as set out in the Supplemental Circular be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company be and is hereby authorised to take any step and execute such other documents as they consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Master Sale and Purchase (2025-2028) Agreement and/or the transactions contemplated thereunder.”

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

Hong Kong, 8 August 2025

SUPPLEMENTAL NOTICE OF AGM

Notes:

1. Details of the resolution are set out in the Supplemental Circular. Unless otherwise defined in this supplemental notice of the Meeting, capitalised terms used in this supplemental notice of the Meeting shall have the same meanings as those defined in the Supplemental Circular.
2. Since the form of proxy sent together with the 2025 AGM Notice (“**Original Proxy Form**”) does not contain the proposed resolution for the Master Sale and Purchase (2025-2028) Agreement and the transactions contemplated thereunder set out in this supplemental notice of the Meeting, a second form of proxy (“**Revised Proxy Form**”) has been prepared and is accompanied with the Supplemental Circular of which this supplemental notice of the Meeting forms part.
3. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a shareholder. In order to be valid, the Revised Proxy Form 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 Meeting (i.e. not later than 11:00 a.m. on Saturday, 23 August 2025, (Hong Kong time)) or any adjournment or postponement thereof.
4. Shareholders who have not completed and returned the Original Proxy Form are required to complete and return the Revised Proxy Form. Under such circumstances, they are not required to return the Original Proxy Form.

Shareholders who have completed and duly returned the Original Proxy Form must pay attention to the following:

- (a) if the Revised Proxy Form is not completed and duly returned, or if the Revised Proxy Form is returned later than 48 hours before the time stipulated for convening the AGM, and the Original Proxy Form has been correctly completed and returned, then the Original Proxy Form will be deemed as the valid form of proxy returned by you. The proxy appointed by you under such form of proxy will be entitled to vote at his/her discretion or abstain from voting on the supplemental resolution duly submitted to the AGM according to the Supplemental Circular; and
- (b) if the Revised Proxy Form is completed and returned not less than 48 hours before the time stipulated for convening the AGM, then the Revised Proxy Form will supersede and replace the Original Proxy Form previously returned by you. The Revised Proxy Form, if correctly completed, will be deemed to be the valid form of proxy returned by you.

5. Please refer to the 2025 AGM Notice for details in respect of the eligibility for attending the Meeting, registration procedures, closure of register of members and other relevant matters.

As at the date of this supplemental 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.