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**GUANGDONG – HONG KONG GREATER BAY AREA
HOLDINGS LIMITED**

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

- (1) MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
IN THE TARGET COMPANY INVOLVING
THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER; AND
(3) RESUMPTION OF TRADING**

THE ACQUISITION

The Board is pleased to announce that on 14 July 2025 (before trading hours of the Stock Exchange), the Company (as the Purchaser) entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor have conditionally agreed to sell the Sale Shares (representing the entire issued share capital of the Target Company), at the Consideration in the amount of HK\$976,500,000. The Consideration of the Acquisition shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK\$3.15 per Share) under the Specific Mandate to be sought by the Company at the EGM.

Immediately upon Completion, (i) the Target Company will become a direct wholly-owned subsidiary of the Company, accordingly the consolidated financial results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group; (ii) the Vendor will become a substantial shareholder of the Company; and (iii) the Target Company, by virtue of the VIE Agreements executed by, amongst others, the Target WFOE and the PRC Project Company, can enjoy the economic benefits of the PRC Project Group.

Pursuant to the Sale and Purchase Agreement, upon Completion, the Consideration Shares represent (i) approximately 38.08% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 27.58% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares).

The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 25% but less than 100%, the Acquisition pursuant to the Sale and Purchase Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

As at the date of this announcement, China GBA Holdings directly holds in aggregate 414,665,566 Shares, representing approximately 50.94% of the total issued share capital of the Company. Upon Completion at which a total of 310,000,000 Consideration Shares will be issued to the Vendor and assuming that there is no other change to the issued share capital of the Company from the date of this announcement and up to Completion, (i) the Vendor will hold 310,000,000 Shares, representing approximately 27.58% of the total number of the issued Shares as increased by the issuance of the Consideration Shares; and (ii) the shareholding percentage of China GBA Holdings in the Company will be diluted to approximately 36.89%. As a result, as each of the Vendor and China GBA Holdings will be owning more than 20% or more of the voting rights of the Company and is thus associated company (as defined in the Takeovers Code) of the Company and hence, under the definition of “acting in concert” under the Takeovers Code, the Vendor and China GBA Holdings would be presumed to be acting in concert with each other. In addition, since (i) Mr. Luo Jieping, an executive Director, is interested in 18% of the issued share capital of the Vendor and is a former director of the Vendor; and (ii) Ms. Zeng Yan, the spouse of Mr. Luo Jieping, is the ultimate beneficial owner of China GBA Holdings, the Vendor and China GBA Holdings are considered to be acting in concert with each other.

The allotment and issue of the Consideration Shares to the Vendor would result in a new acting in concert group being formed or the balance of the group being changed significantly, where China GBA Holdings and the Vendor will in aggregate hold 64.47% of the voting rights in the Company (assuming that there is no other change to the issued share capital of the Company from the date of this announcement and up to Completion). Such increase of the Vendor’s and the China GBA Holdings’ collective holding of voting rights of the Company would therefore, in the absence of the Whitewash Waiver, trigger an obligation of the Vendor and China GBA Holdings to make a mandatory general offer for all the issued Shares not already owned by them and parties acting in concert with them under Rule 26 of the Takeovers Code. The Vendor will make an application to the Executive for the Whitewash Waiver.

The Executive may or may not grant the Whitewash Waiver. The Acquisition will not proceed if the Whitewash Waiver is not granted or approved. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the condition that the respective resolution(s) relating to the Whitewash Waiver on one hand, and the Acquisition on the other hand, being separately approved by at least 75% and more than 50%, respectively, of the votes cast by the Independent Shareholders at the EGM by way of poll.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee, comprising of all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. Rainbow Capital has been appointed by the Company as the Independent Financial Adviser with the approval of the Independent Board Committee to advise such committees and the Independent Shareholders in relation to the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver and to make recommendations as to voting.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, pass resolution(s) to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the allotment and issuance of the Consideration Shares under the Specific Mandate, as well as the Whitewash Waiver.

As China GBA Holdings are considered to be acting in concert with the Vendor upon Completion, China GBA Holdings is regarded as having a material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate and the Whitewash Waiver, and shall abstain from voting on the relevant resolution(s) to be proposed at the EGM. Save for China GBA Holdings, no other Shareholder has a material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate and the Whitewash Waiver, and therefore no other Shareholder is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

A circular containing, among other things, (i) further details of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate; (ii) details of the application for the Whitewash Waiver; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) the Accountant's report of the Target Group; (vi) the unaudited pro forma financial information of the enlarged Group (as a result of the Acquisition); (vii) the Valuation Report; (viii) other information required under the Listing Rules and the Takeovers Code; and (ix) a notice of the EGM, is expected to be despatched to the Shareholders within 15 business days from the date of this announcement pursuant to Rule 14.60(7) of the Listing Rules or 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been halted with effect from 9:00 a.m. on 14 July 2025 pending the issue of this announcement. Application has been made for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 July 2025.

As the Completion is subject to the satisfaction or waiver (where applicable) of the Conditions Precedent, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 14 July 2025 (before trading hours of the Stock Exchange), the Company (as the Purchaser) entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor have conditionally agreed to sell the Sale Shares (representing the entire issued share capital of the Target Company), at the Consideration in the amount of HK\$976,500,000.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date

14 July 2025 (before trading hours of the Stock Exchange)

Parties to the Sale and Purchase Agreement

- (a) The Company (as the Purchaser and the issuer of the Consideration Shares); and
- (b) The Vendor

Subject Matter of the Acquisition

Pursuant to the terms of the Sale and Purchase Agreement, the Company (as the Purchaser) has conditionally agreed to acquire, and the Vendor have conditionally agreed to sell the Sale Shares (representing the entire issued share capital of the Target Company), at the Consideration in the amount of HK\$976,500,000. The Consideration of the Acquisition shall be satisfied by the allotment and issue of the Consideration Shares at the Issue Price (i.e. HK\$3.15 per Share) under the Specific Mandate to be sought by the Company at the EGM.

Conditions Precedent of the Sale and Purchase Agreement

The Acquisition is conditional upon the following conditions being fulfilled (or waived, where applicable):

- (a) the Listing Committee shall have granted or agreed to grant the approval for the listing of and permission to deal in the Consideration Shares;
- (b) the Independent Shareholders shall have approved the Acquisition, the Sale and Purchase Agreement and all transactions contemplated thereunder (including the Specific Mandate and the corresponding issuance of the Consideration Shares) at the EGM by more than 50% of the votes cast by the Independent Shareholders in accordance with the Listing Rules and the Takeovers Code;
- (c) the Independent Shareholders having passed the necessary resolution approving the Whitewash Waiver at the EGM by at least 75% of the votes cast by the Independent Shareholders in accordance with the Takeovers Code;
- (d) the Executive having granted the Whitewash Waiver and the satisfaction of any condition attached to the Whitewash Waiver granted, and the Whitewash Waiver not being revoked;
- (e) the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement remains the same up to the date of the Completion;
- (f) the Board approving the Acquisition, the entering into and the execution and performance of the Sale and Purchase Agreement;
- (g) the board of directors of the Vendor approving the Acquisition, the entering into and the execution and performance of the Sale and Purchase Agreement;

- (h) all other applicable laws, rules and regulations including but not limiting to the Listing Rules and/or the Takeovers Code for the Acquisition and the transactions contemplated under the Sale and Purchase Agreement shall have been complied with by the Company, the Vendor and the Purchaser;
- (i) the VIE Agreements and their relevant documents having been duly executed with a legal opinion having been issued by the legal adviser to the Company as to the PRC laws in the form and substance to the satisfaction of the Purchaser, on the matters relating to the VIE Agreements;
- (j) no event occurring which constitutes a material adverse change (as set out in the Sale and Purchase Agreement) has occurred on the financial position, business, prospect or results of operations of the Target Group as a whole prior to the date of Completion; and
- (k) the representations, warranties and undertakings made by the Vendor under the Sale and Purchase Agreement shall be true, accurate and not misleading in all material aspects as at the date of the Acquisition and up to the date of Completion.

As at the date of this announcement, the respective representations, warranties and undertakings made by the Purchaser and the Vendors are true, accurate and not misleading with respect to the Acquisition and the transactions contemplated thereunder.

As at the date of this announcement, Conditions Precedent contemplated under (f), (g) and (i) above are fulfilled.

The Vendor and the Purchaser may, in writing, waive in whole or in part any of the Conditions Precedent contemplated under (j) and (k) above. Other than the aforesaid, none of the conditions precedent may be waived. If any of the conditions is not fulfilled (or as the case may be, waived) on or before 30 June 2026 (i.e. the Long Stop Date), or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall (unless otherwise agreed in writing by the parties to the Sale and Purchase Agreement) be terminated, and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Sale and Purchase Agreement.

CONSIDERATION FOR THE ACQUISITION

With respect to the Acquisition, the Consideration is in the amount of HK\$976,500,000. The Consideration of the Acquisition shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK\$3.15 per Share) under the Specific Mandate to be sought by the Company at the EGM.

The Consideration was determined after arm's length negotiations between the Company and the Vendor with reference to (i) the valuation of the market value of the entire issued share capital of the Target Group of HK\$978,000,000 as at the Valuation Reference Date as appraised by the Independent Valuer by way of discounted cash flow method under the income approach; (ii) the future prospects with respect to the businesses operated by the Target Group; (iii) the historical financial performance of the Target Group; and (iv) the reasons and benefits of the Acquisition as stated under the paragraph headed "REASONS FOR AND BENEFITS OF THE ACQUISITION" in this announcement.

Consideration Shares and the Issue Price

The Consideration Shares represent (i) approximately 38.08% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 27.58% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares).

The Issue Price was arrived at after arm's length negotiation between the Vendor and the Purchaser to the Sale and Purchase Agreement after taking into account the prevailing market price of the Shares, the financial performance of the Group and the general market sentiment. The Issue Price represents:

- (a) a premium of approximately 2,323% to the audited net asset value per Share as at 31 December 2024 of approximately HK\$0.13;
- (b) a discount of approximately 11.27% to the closing price of HK\$3.55 per Share as at the date of the Sale and Purchase Agreement;
- (c) a discount of approximately 10.97% over the average of the closing price of HK\$3.54 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (d) a discount of approximately 13.67% over the average of the closing price of HK\$3.65 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The aggregate nominal value of share capital for the Consideration Shares is HK\$31,000,000.

The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue.

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

Valuation of the Target Group

In the Valuation prepared by the Independent Valuer, the three generally recognised valuation approaches namely the cost approach, the market approach and the income approach, were understood to have been considered to conduct the Valuation, in order to select the most appropriate approach(es).

(A) Analysis on the Approaches

The cost approach provides an indication of value based on the principle that the assets and liabilities as a whole represent the value of a company. It provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

The market approach is a valuation technique based on the principle of substitution. It provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. Third-party transactions in the equity of an enterprise generally represent the best estimate of market value if they are done at arm's length. Under the market approach, there are two primary methods as follows:

- (i) The first one is often referred to as the Comparable Transactions Method, involves determining valuation multiples from sales of enterprises with similar financial and operating characteristics and applying those multiples to the subject enterprise; and
- (ii) The second one is often referred to as the Guideline Public Company Method, involves identifying and selecting publicly-traded enterprises with financial and operating characteristics similar to the enterprise being valued, which, once identified, valuation multiples can be derived, adjusted for comparability, and then applied to the subject enterprise to estimate the value of its equity or enterprise value. In applying the Guideline Public Company Method, different value measures or market multiples of the comparable companies are calculated and analysed to induce a series of multiples that are considered representative of the industry average.

The income approach provides an indication of value by converting future cash flow or economic benefits to a present value. Under the income approach, the value of an asset/ the business entity is determined by reference to the value of income, cash flow or cost savings generated by the asset/the business entity. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

In connection with the valuation methodology adopted, the valuation approach is determined based on professional judgment and technical expertise after detailed analysis on facts and circumstances. Key factors including, business nature and stage of development of the subject entity, the quantity and quality of the information provided to the Independent Valuer, supply of relevant market transactions, type and nature of the subject asset, etc. have been taken into account.

It is of the view that the cost approach has not been adopted because under such approach, the market value of equity interest is determined based on the replacement costs or reproduction costs of assets rather than the ability to generate streams of benefits in the future. Cost approach is best suited for tangible and commoditised assets such as land, buildings or plants, but not for intangible value drivers. However, the Target Group is principally engaged in AI Business with substantial growth potential. These future economic benefits cannot be captured by historical or replacement cost of the value of existing assets.

The market approach has not been adopted because there was neither any publicly available transaction of enterprises that were comparable in terms of the uniqueness of the Target Group's business model and its stage of development of AI Businesses observed, nor any closely comparable publicly traded entity with business development and operating characteristics similar to those of the Target Group suitable for the market approach could be identified as at the Valuation Reference Date.

As a result of the above and given the historical financial and operating data of the Target Group and the VIE Arrangement, it is agreed that the Target Group's intrinsic value can be better estimated based on forecasts of fundamental conditions in the future using the discounted cash flow analysis under the income approach, and the reliance on the discounted cash flow analysis under the income approach to derive the market value of the Target Group in the Valuation are in the interests of the Group and the Shareholders as a whole.

(B) Adoption of Income Approach

The discounted cash flow analysis under the income approach involves forecasting the appropriate cash flow stream over an appropriate period and then discounting it back to a present value at an appropriate discount rate. This discount rate should consider the time value of money, inflation, and the risk inherent in ownership of the asset or interest being valued.

Performing a discounted cash flow analysis requires the preparation and analysis of a reliable forecast of the expected future financial performance of the subject entity. Forecasting cash flow to all investors requires the projection of revenues, operating expenses, taxes, working capital requirements, and capital expenditures for a future period.

Projected cash flow to all investors must then be discounted to a present value using a discount rate, which appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows.

(C) Summary of Principal Assumptions

Since the discounted cash flow method of the income approach was adopted in the Valuation Report, the Valuation constitutes profit forecasts under Rule 14.61 of the Listing Rules and Rule 10 of the Takeovers Code. The principal assumptions are set out as follows:

- (1) There will be no major changes in the existing political, legal, fiscal and economic conditions in which the Target Group carries on its business;
- (2) There will be no major changes in the current taxation law in the country where the Target Group operates, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;
- (3) There will be no material changes in the industry in which the Target Group involves that would materially affect the revenues, profits, cash flows attributable to the Target Group;
- (4) The Target Group has obtained the necessary consent, licenses and approvals for the normal course of operations, including but not limited to the business licences and such consent and approval necessary for the VIE Arrangement, and the same have not been revoked;
- (5) Exchange rates and interest rates will not differ materially from those presently prevailing;
- (6) The availability of finance at viable cost will not be a constraint on the forecasted growth of operations of the Target Group. In other words, it is assumed that obtaining necessary financing is readily available at a reasonable cost, and therefore, it will not be a limiting factor for the Target Group to execute its business plan. Based on the Management's representation, as at the Valuation Reference Date, RMB1,559 million debts have either secured or nearly closing;
- (7) The Target Group will successfully maintain its competitiveness and market share through optimizing the utilization of its resources and expanding its marketing network;

- (8) The Target Group can keep abreast of the latest development of the industry, such as trend of automation to reduce operating costs, such that its competitiveness and profitability can be sustained;
- (9) The Target Group will utilise and maintain its current operational, administrative and technical facilities to expand and increase its sales;
- (10) The Target Group will be able to secure funds to repay/renew its debts timely when they fall due;
- (11) The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operations;
- (12) The Target Group will continue to operate as a going concern and the core operation of the Target Group will not differ materially from those of present or expected;
- (13) The forecasting cash flow represents management's view of the range of economic conditions. The information and estimates provided and the representations made by management regarding the Target Group's financial and business affairs are assumed to be reliable and without false representation; and
- (14) The appropriate discount rate of the Target Group as at the Valuation Reference Date is 18.0%, the cost of equity derived by Capital Asset Pricing Model (CAPM). For details, please refer to Section 4.5.6. Parameters of Discount Rate of Appendix III in this announcement.

(D) Implications under the Listing Rules and the Takeovers Code with respect to Profit Forecast

Prism Hong Kong Limited, being the reporting accountant of the Company, has reviewed and reported to the Directors in respect of the compilation of the discounted cash flows in connection with the valuation of the Independent Valuer. So far as the accounting policies and calculations are concerned, the profit forecast has been properly compiled in accordance with the assumptions adopted by the Board as set out in the Valuation Report.

The Independent Financial Adviser confirmed that (1) the Valuation, which constitutes a profit forecast under (i) Rule 14.61 of the Listing Rules and (ii) Rules 10 and 11.1(a) of the Takeovers Code, has been made after due care and consideration by the Directors; and (2) the Independent Valuer is suitably qualified and experienced to undertake the Valuation pursuant to Rule 11.1(b) of the Takeovers Code.

The full text of the letter issued by the Prism Hong Kong Limited in relation to the calculations of the discounted cash flows is set out in Appendix I to this announcement for the purpose under Rule 14.60A(2) of the Listing Rules and Rules 10 and 11 of the Takeovers Code and the letter from the Independent Financial Adviser in compliance with Rule 14.60A(3) of the Listing Rules and Rules 10 and 11 of the Takeovers Code is set out in Appendix II to this announcement.

(E) Consents of Experts

The qualifications of the experts who have given their opinion and advice in this announcement are as follows:

Name	Qualification
Prism Hong Kong Limited	Certified Public Accountants Registered Public Interest Entity Auditor
Rainbow Capital (HK) Limited	Licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
Moore Transaction Services Limited	Independent valuer

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its names (including its qualifications) included herein in the form and context in which it is included.

Each of the experts is an independent third party of the Group. As at the date of this announcement, none of the experts nor their respective subsidiaries mentioned above held any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the date of this announcement, none of the experts nor their respective subsidiaries mentioned above had, or had have, any direct or indirect interest in any material assets which have been acquired since 31 December 2024 (being the date to which the latest published audited consolidated accounts of the Company were made up), 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.

The Valuation Reference Date is 31 March 2025. The Valuer confirmed that there is no material difference in the Valuation between the Valuation Reference Date and the date of the Valuation Report.

COMPLETION

Completion for the Acquisition shall take place after all Conditions Precedent have been fulfilled (or waived, as the case may be), but no later than the Long Stop Date.

Immediately upon Completion, (i) the Target Company will become a direct wholly-owned subsidiary of the Company, accordingly the consolidated financial results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group; (ii) the Vendor will become a substantial shareholder of the Company; and (iii) the Company, by virtue of the VIE Agreements executed by, amongst others, the Target WFOE and the PRC Project Company can enjoy the economic benefits of the PRC Project Group.

Undertaking by the Vendor

Upon receipt of such Consideration Shares on Completion, the Vendor undertakes with the Company that, unless with the written consent of the Company, the Vendor will not dispose of, transfer, create encumbrances over, or enter into any agreement on the disposal of, transfer or creation of encumbrances over any of the Consideration Shares within two years subsequent to the Completion.

INFORMATION OF THE COMPANY (THE PURCHASER) AND THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the development, sales and operation of residential properties, commercial trade and logistics centers in the PRC.

INFORMATION OF THE VENDOR

The Vendor under the Sale and Purchase Agreement is Champion Road Group Limited, an investment holding company established under the laws of British Virgin Islands with limited liability. The Vendor's ultimate beneficial owners are also the Registered Shareholders, and their respective shareholdings in the Vendor are as follows:

Name of Shareholders	Shareholding in the Vendor
Mr. Zhong Junhua (鍾軍華)	35.2%
Mr. Luo Jieping (羅介平)	18.0%
Mr. Huang Zhiwen (黃志文)	17.0%
Mr. Chen Keya (陳科涯)	10.4%
Mr. Cai Sanyan (蔡三艷)	10.4%
Mr. Zhou Baikui (周柏魁)	6.6%
Mr. Chen Zhizhong (陳志中)	2.4%

As at the date of this announcement, given the reasons set out in the paragraph headed “Takeover Codes Implication” below, the Vendor is considered to be acting in concert with China GBA Holdings, a controlling Shareholder, and accordingly, the Vendor is not an Independent Third Party. Save and except for Mr. Luo Jieping, who is an executive Director, the other remaining shareholders of the Vendor are third parties independent of and not connected with the Company and its connected persons.

INFORMATION ON THE TARGET COMPANY AND THE TARGET GROUP

The Target Company, Wisdom Knight Holdings Limited, is an investment holding company established under the laws of British Virgin Islands with limited liability.

Information on the Target Group

The Target Group commenced its internet data center (“IDC”) and internet access services (“ISP”) businesses since 2016. Apart from the IDC and ISP businesses, the Target Group also commenced its AI Businesses since the second half of 2024. The Target Company directly and wholly-owns an investment holding company established under the laws of Hong Kong with limited liability as subsidiary which in turn holds the Target WFOE.

By virtue of the VIE Agreements, the operating subsidiaries in the PRC Project Group become controlled entities of the Target WFOE (and accordingly, that of the Target Company). The Registered Shareholders (i.e. the ultimate beneficial owners of the Vendor) together hold the entire equity interests in the PRC Project Parent (an investment holding company established under the laws of the PRC with limited liability), and through the PRC Project Intermediary (an investment holding company established under the laws of the PRC with limited liability), it holds the PRC Project Company, which in turn holds the operating subsidiaries in the PRC Project Group.

The key personnel operating the PRC Project Company and its Operating Subsidiaries is the founder of the Target Group, Mr. Zhong Junhua. Save for the operation of the PRC Project Company and its Operating Subsidiaries, the Group does not have the plan to transfer Mr. Zhong Junhua to the Group following the Completion.

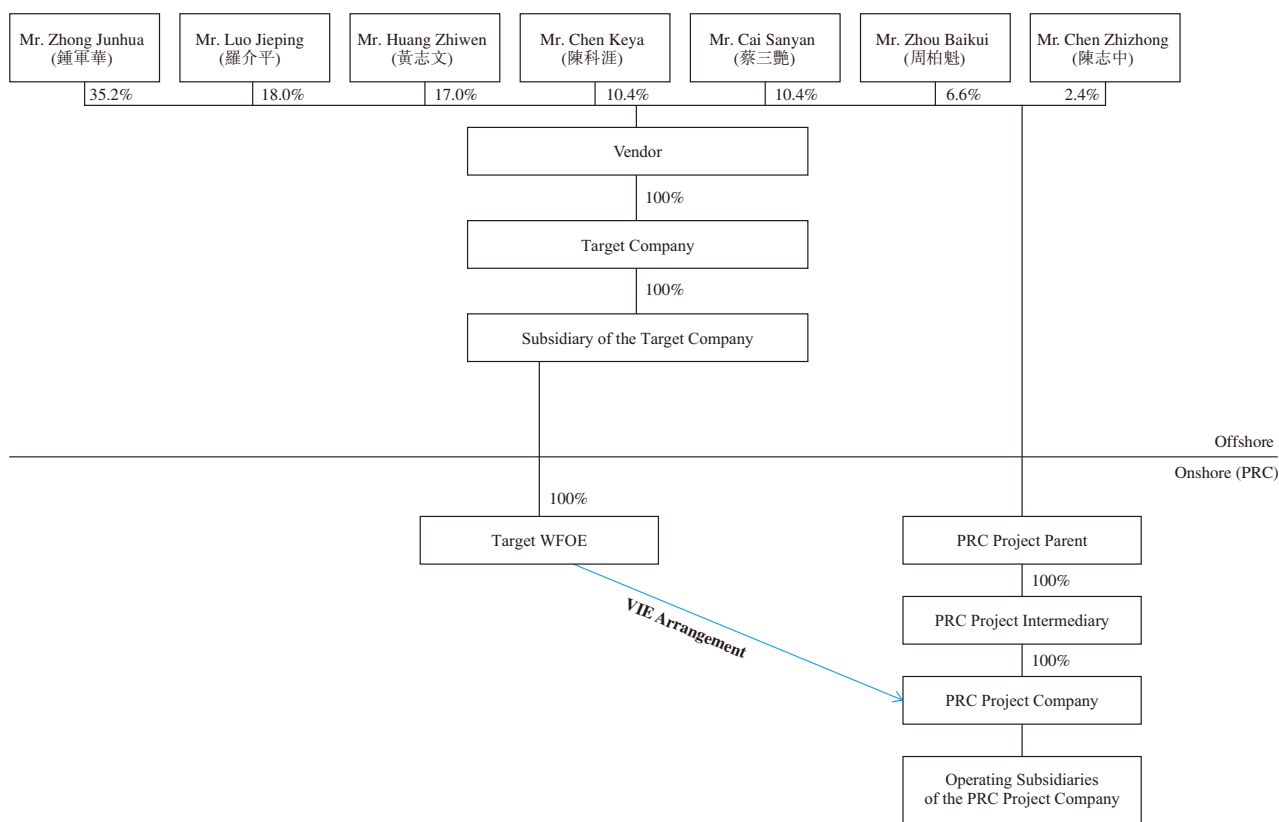
As a whole, the Target Group is a full-ecosystem service provider for “Green Energy Artificial Intelligence Computing”, and is principally engaged in the AI Businesses in the PRC, comprising (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of the AIDC; (iii) the operation of the AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for customers.

Set out below is the consolidated financial information of the Target Group for the three years ended 31 December 2024 and the three-month period ended 31 March 2025 respectively:

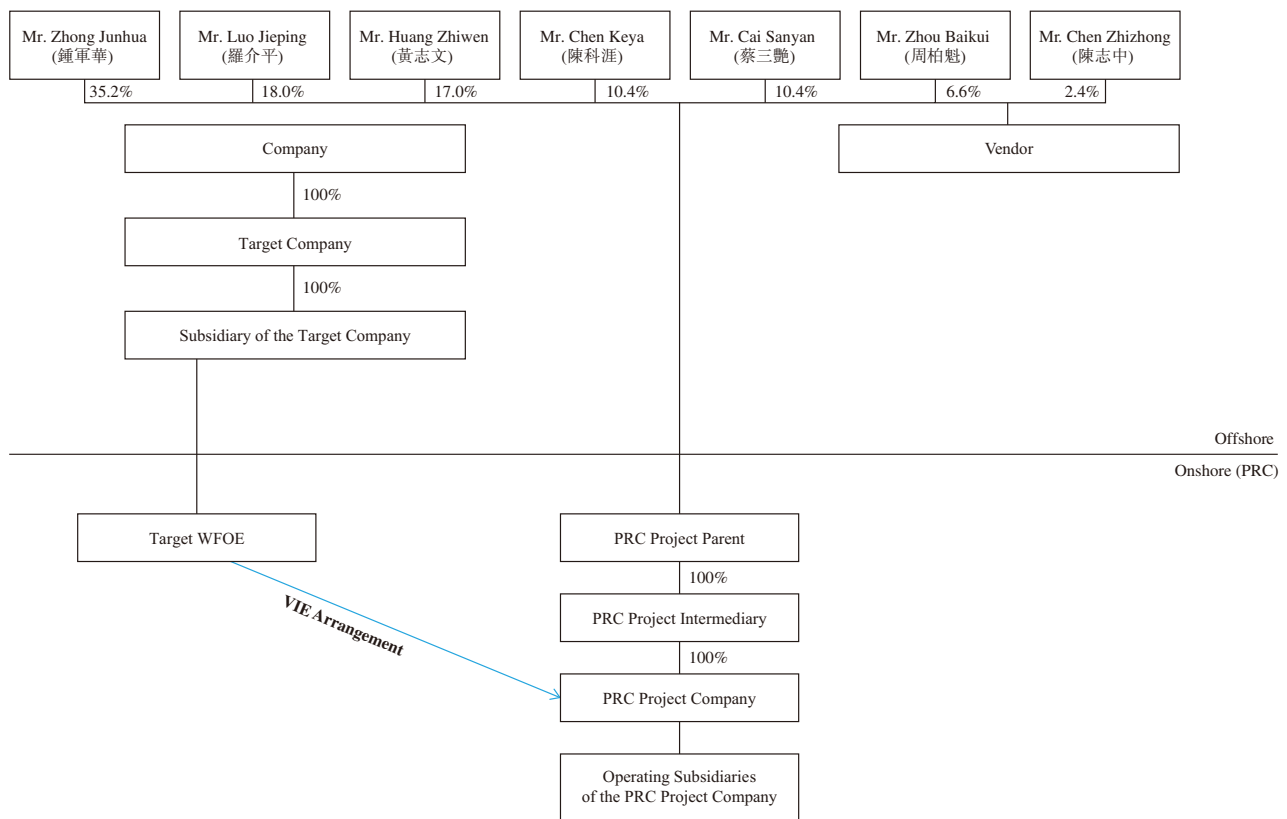
	For the three months ended 31 March 2025	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(audited)	(audited)	(audited)	(audited)
Revenue	174,441	236,640	61,633	50,872
Profit/(loss) before tax	28,095	(1,262)	(57,545)	(78,164)
Profit/(loss) after tax	23,361	(894)	(56,695)	(78,026)

Based on the audited consolidated financial statements of the Target Group for the three months ended 31 March 2025, the audited consolidated net assets of the Target Group was approximately RMB178.2 million (equivalent to approximately HK\$192.5 million) as at 31 March 2025.

Shareholding structure of the Target Group immediately prior completion of the Acquisition



Shareholding structure of the Group and the Target Group immediately upon completion of the Acquisition



REASON FOR ENTERING INTO THE VIE AGREEMENTS

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024)* (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”) and the Catalogue of Industries for Encouraging Foreign Investment (2022 Version)* (《鼓勵外商投資產業目錄(2022年版)》), which were promulgated and are amended from time to time jointly by the MOFCOM and the NDRC. The 2024 Negative List and the Encouraging Catalogue divide industries into “encouraged”, “restricted”, “prohibited” and “permitted” (the last category of which includes all industries not listed under the “encouraged”, “restricted” and “prohibited” categories).

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) promulgated by the State Council of PRC on 25 September 2000 and last amended on 6 February 2016, and the Catalogue of Telecommunications Business (2015 Version) (《電信業務分類目錄(2015年版)》), the principally engaged businesses of the PRC Project Group involve IDC services and ISP services, which fall within the scope of “value-added telecommunication service”, the operations of such businesses require a value-added telecommunication business license for IDC and ISP businesses (which has been duly obtained). As advised by the legal adviser to the Company as to the PRC laws, according to the 2024 Negative List, foreign investors are only allowed to invest into certain types of

value-added telecommunications services that have been opened up to foreign investment pursuant to China's commitments to the WTO. However, IDC and ISP businesses have not been included in the scope of China's foregoing commitments to the WTO to date.

Pursuant to (i) the Mainland and Hong Kong Closer Economic Partnership Arrangement (《內地與香港關於建立更緊密經貿關係的安排》) and Mainland and Macao Closer Economic Partnership Arrangement (《內地與澳門關於建立更緊密經貿關係的安排》) as promulgated by the MOFCOM in 2003; (ii) the Agreement on Trade in Services under the Mainland and Hong Kong Closer Economic Partnership Arrangement (《〈內地與香港關於建立更緊密經貿關係的安排〉服務貿易協議》) and the Agreement on Trade in Services under the Mainland and Macao Closer Economic Partnership Arrangement (《〈內地與澳門關於建立更緊密經貿關係的安排〉服務貿易協議》) as promulgated by the MOFCOM in 2015 and amended in November, 2019; and (iii) the Circular of the MIIT on Issues concerning the Provision of Telecommunications Services by Hong Kong and Macao Service Providers in the Mainland (《工業和信息化部關於港澳服務提供者在內地開展電信業務有關問題的通告》) which was promulgated by the MIIT and took effect on 30 June 2016 (together with the foregoing arrangements, the “**CEPA Rules**”), Hong Kong and Macau service providers which satisfy the qualification requirements under the CEPA Rules are allowed to establish sino-foreign equity joint ventures in Mainland China to operate IDC and ISP businesses and such qualified Hong Kong and Macau service providers (as foreign investors, “**Qualified CEPA Service Providers**”) may acquire up to 50% of the equity interests of such joint ventures.

The subsidiaries of the Target Company incorporated in Hong Kong do not meet all the requirements of Qualified CEPA Service Providers under the CEPA Rules and do not possess the actual experience needed for applying as Qualified CEPA Service Providers from the Hong Kong Trade and Industry Department, which is the pre-requisite for enjoying preferential treatment under CEPA Rules. The PRC Project Company is therefore not qualified under the CEPA Rules exemption for 50% equity interest in value-added telecommunication services. As aforementioned, since foreign investment in certain areas of the industry in which the PRC Project Group currently operates are subject to foreign investment prohibition under current PRC laws and regulations, the Target Company determined that it was not viable for the Target WFOE to hold the PRC Project Company directly or indirectly through equity ownership. Instead, the Target Company decided that, in line with the common practice in industries of the PRC subject to foreign investment prohibition, the Target Company would hold the interest and gain effective control over the PRC Project Company through the Target WFOE under the VIE Arrangements.

Pursuant to the Announcement of the MIIT on Launching the Pilot Program of Expanding the Opening-Up of Value-Added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》) (the “**Pilot Announcement**”) promulgated by the MIIT on 8 April 2024, the pilot program shall be launched first in the Beijing Comprehensive Demonstration Zone for Further Opening-up of the Service Sector, the Lin-Gang Special Area of China (Shanghai) Pilot Free Trade Zone and the Leading Area in Socialist Modernization, the Hainan Free Trade Port, and the Shenzhen Leading Demonstration Zone of Socialism with Chinese Characteristics (the “**Pilot Areas**”). In the Pilot Areas, restrictions on the

percentage of shareholding of foreign investors shall be removed for IDC, CDN, ISP, online data processing and transaction processing, as well as information release platforms and delivery services (excluding internet news information, online publishing, internet audio-visual services, and internet cultural operations) in information services, information protection and processing service business (the “**Pilot Businesses**”). On 23 October 2024, the MIIT organized a symposium on the pilot program of expanding the opening-up of value added telecommunications services, and officially launched the pilot program of expanding the opening up of value-added telecommunications services in Beijing, Shanghai, Hainan and Shenzhen.

Pursuant to the Pilot Program for the Expansion of Opening-up in Value-added Telecommunications Business (《增值電信業務擴大對外開放試點方案》) (the “**Pilot Program**”) under the Pilot Announcement, (i) the registered location of the pilot business operator and the placement of service facilities (including leased and purchased facilities) must be within the same pilot area; (ii) the service scope of the ISP business is restricted to the pilot area, and the provision of internet access services to users must be through the internet access facilities of basic telecommunications enterprises.

The legal adviser to the Company as to the PRC laws conducted a phone inquiry with the MIIT through its service hotline on 6 June 2025, and the relevant MIIT officials confirmed that (i) policies related to the Pilot Announcement are subject to the responses of the local communication administration; (ii) under the CEPA Rules, if the main foreign investor is from Hong Kong or Macau, and the enterprise intends to apply for services not yet committed to by the WTO under CEPA Rules, or to exceed the equity proportion stipulated by China’s commitments to the WTO, it is required to submit the Hong Kong and Macau Service Provider Certificate (《港澳服務提供者證明書》) as required. If the Hong Kong and Macau Service Provider Certificate cannot be provided, the relevant application will not be allowed.

The legal adviser to the Company as to the PRC laws also conducted an interview with Shenzhen Communications Administration (深圳市通信管理局) on 6 June 2025, during which the relevant officer of Shenzhen Communications Administration confirmed that (i) in the current practice of applying for the approval of a value-added telecommunication business license under the Pilot Program, where the foreign equity proportion restrictions have been lifted, it is strictly required that the registered location of the pilot business operator and the placement of service facilities (including leased and purchased facilities) must be within the same pilot area, and the ISP services are limited to the Pilot Areas. If an enterprise does not meet these conditions, it cannot apply for a value-added telecommunication business license under the Pilot Program; (ii) if the main foreign investor is from Hong Kong or Macau, and the enterprise intends to apply for services not yet committed to by the WTO under CEPA Rules or to exceed the equity proportion stipulated by the China’s commitments to the WTO, the current review practice still requires the submission of the Hong Kong and Macau Service Provider Certificate; and (iii) the VIE agreements do not conflict with existing policies and regulations.

As advised by the legal adviser to the Company as to the PRC laws, the MIIT is the competent authority for deciding whether to issue IDC and ISP Value-Added Telecommunication Business Licenses to foreign-invested enterprises; and the Shenzhen Communication Administration is the competent authority for handling the matters raised in the above inquiries. Both the MIIT and the Shenzhen Communication Administration have the authority to make the above responses.

While some entities of the Target Group engaged in the Pilot Businesses (IDC and ISP businesses) are located in Shenzhen, one of the pilot areas, the data centers for their IDC business are not only in the registered locations but also in other areas. Given the current business operations of the Target Group, it is impracticable to ensure that the registered locations and the placement of service facilities (including leased and purchased facilities) stay within the same pilot area. In addition, the service scope of their ISP business covers many cities beyond the pilot areas. Therefore, no entity of the Target Group meets the Pilot Announcement's exemption for foreign equity ratio restrictions on IDC and ISP businesses. In light of the above, the Target WFOE and the PRC Project Company have, amongst others, entered into the VIE Agreements in order to comply with the applicable and relevant PRC laws and regulations, and enable the financial results and the entire economic benefits derived from the operations of the PRC Project Group's businesses to flow into the Target WFOE and to enable the Target Company to have indirect control over the PRC Project Company.

Moreover, among the VIE Agreements, the Irrevocable Exclusive Call Option Agreement has been entered into, detailing the unwinding of the VIE Arrangement as soon as the relevant PRC laws and regulations allow without adoption of the VIE Arrangement. Under the Irrevocable Exclusive Call Option Agreement, the PRC Project Intermediary must transfer to the Target WFOE or its nominee the equity interest in the PRC Project Company for (a) nominal consideration; or (b) such consideration be determined by Target WFOE for purchasing the entire equity interest in the PRC Project Company by the Target WFOE, subject to the conditions of legality, permission and consent granted by the local regulations or government departments of the PRC.

The Directors have sought the advice from the legal adviser to the Company as to the PRC laws to confirm, among others, (i) the utilisation of the VIE Arrangement and the VIE Agreements does not constitute a breach of the applicable PRC laws and regulations; (ii) none of the agreements under the VIE Agreements would be deemed invalid or ineffective under the Civil Code of the PRC (《中華人民共和國民法典》); and (iii) save for the clause providing that the arbitration tribunal may award injunctive relief or winding up orders and that the courts in Hong Kong, the Cayman Islands and the PRC may grant temporary injunctive relief or other temporary remedies, which may not be enforceable under PRC law, the VIE Agreements are enforceable under the laws of the PRC, so as to confirm that the VIE Agreements conferring significant control and economic benefits from the PRC Project Company to the Target Company would be enforceable under the relevant laws and regulations, and that the VIE Agreements will provide a mechanism that enables the Target WFOE to exercise effective control over the PRC Project Company.

As at the date of this announcement, the PRC Project Group has not encountered any interference or encumbrance from any governing bodies in operating its business. It is not aware of any interference or encumbrance by any governing bodies in operating the business of the PRC Project Group that may be encountered from the Acquisition or under the VIE Agreements.

INFORMATION OF THE VIE AGREEMENTS

The VIE Agreements comprises a series of agreements respectively executed and taken effect on 29 November 2024, 3 June 2025 and 30 June 2025, among other things, the Exclusive Business Collaboration Agreement, the Irrevocable Exclusive Call Option Agreement, the Equity Pledge Agreement, the EIH Voting Right Delegation Agreement and the Power of Attorney, for the purpose of establishing the VIE Arrangement between, amongst others, (a) the Target WFOE, on the one hand; and (b) the PRC Project Company, on the other hand.

A summary of the VIE Agreements is as follows:

(I) Exclusive Business Collaboration Agreement

Parties: (i) The Target WFOE; and

(ii) The PRC Project Company

Subject Matter – Details of Strategic Collaboration:

The PRC Project Company agrees to engage the Target WFOE as its exclusive service provider to provide the PRC Project Company with comprehensive business support, technical services and consulting services relating to the business of the PRC Project Company, including but not limited to, technical services, technical consultation, business consultation, intellectual property licensing, equipment and leasing, marketing consultation, products research and development, system maintenance, and the provision of management consulting services related to the business operation of the PRC Project Company, and in the circumstances permitted by the applicable and relevant PRC laws and regulations, the provision at times of any other consultation and services related to the foregoing as requested by the PRC Project Company.

Unless with the prior written consent of the Target WFOE, the PRC Project Company shall not accept any consultation and/or services from any third party, and shall not cooperate with any third party. However, the Target WFOE may designate any third party to accept any consultation and/or services to the PRC Project Company.

Fees:

In consideration of the services provided by the Target WFOE, the PRC Project Company shall pay the Target WFOE such service fees equivalent to 100% of the net income (i.e. the net profit after tax) of the PRC Project Company. Such service fee shall be payable annually.

The Target WFOE shall have the right to:

- (a) consent to any expense deductible from the service fees payable;
- (b) adjust the aforementioned service fee at its sole discretion without the consent of the PRC Project Company in accordance with the following factors:
 - 1. the technical complexity of the provided services;
 - 2. the time consumed for the provided services on development of software and consultancy;
 - 3. the content and value for the provided services on development of software and consultancy; and
 - 4. market value of similar services.

Within ninety (90) days after the end of each financial year, the PRC Project Company shall (a) deliver its audited financial statements to the Target WFOE, and (b) pay an amount to the Target WFOE equivalent to the shortfall, if any, of the net income of the PRC Project Company for such financial year presented on the aforesaid audited financial statements as compared to the annual service fee payment made to the PRC Project Company to the Target WFOE in such financial year.

Terms and Termination:

The Exclusive Business Collaboration Agreement shall become effective commencing from its execution date. The Exclusive Business Collaboration Agreement may be terminated under the following circumstances:

- (a) on the date that the PRC Project Company goes liquidated, terminated or dissolved according to relevant laws within the validity period of the Exclusive Business Collaboration Agreement;
- (b) on such date that all the shares and assets of the PRC Project Company have been transferred to the Target WFOE or its designated party in accordance with the Irrevocable Exclusive Call Option Agreement;
- (c) on such date when it is legally permissible under the applicable and relevant PRC laws and regulations for the direct holding of the PRC Project Company and the Target WFOE is duly registered as the PRC Project Company's sole equity owner;
- (d) the Target WFOE terminates the Exclusive Business Collaboration Agreement by giving a prior written notice to the PRC Project Company 30 days in advance at any time during the valid period of the Exclusive Business Collaboration Agreement, on the date when the period of this written notice expires; and
- (e) in case of breach of the provision(s) under the Exclusive Business Collaboration Agreement by the PRC Project Company, including failure to perform its obligations, the Target WFOE has the sole right to terminate the Exclusive Business Collaboration Agreement.

The PRC Project Company has no right to terminate the Exclusive Business Collaboration Agreement unilaterally.

(II) Irrevocable Exclusive Call Option Agreement

- Parties:
- (i) The Target WFOE;
 - (ii) The PRC Project Company; and
 - (iii) The PRC Project Intermediary.
- Subject Matter – Call Option: The PRC Project Intermediary irrevocably and unconditionally grants to the Target WFOE or any person(s) designated by the Target WFOE, the Call Option, being such exclusive option to acquire (at any time, in one or more times), to the extent permitted under the applicable and relevant PRC laws and regulations, all or part of the equity interest and assets in PRC Project Company indirectly and wholly-owned by the PRC Project Intermediary.
- Other than the Target WFOE and such designated person(s) by the Target WFOE, no third party shall be entitled to the Call Option or any rights related to the shares in the PRC Project Company and the assets of the PRC Project Company.
- Consideration: The consideration for the exercise of the Call Option shall be in nominal amount, unless another price is required by the applicable and relevant PRC laws and regulations, in which case, the Call Option shall be exercised in the legally minimum amount as consideration.
- Restrictive Covenants: The PRC Project Company and the PRC Project Intermediary shall covenant to the Target WFOE, amongst other things, that:
- (i) without the prior written consent of the Target WFOE, they shall not in any manner supplement or amend the articles of association of the PRC Project Company to the extent that it may cause any material changes to the assets, liabilities, operations, shareholders' interests or other legal interests of the PRC Project Company;

- (ii) without the prior written consent of the Target WFOE, they shall not declare or distribute dividends, or sell, transfer, mortgage, dispose of by way of gift or dispose of in any other manner assets and/or businesses (in the value of RMB500,000.00 or above) in the PRC Project Company or create any security interest encumbrances in such assets and/or businesses;
- (iii) without the prior written consent of the Target WFOE, the PRC Project Company shall not enter into any transaction which will cause the PRC Project Company to bear liability or indebtedness of any manner (except in the ordinary course of business), nor shall it lend, provide financial assistance in the form of security or guarantee, or permit encumbrance in any form to be registered upon its assets;
- (iv) without the prior written consent of the Target WFOE, the PRC Project Company shall not enter into any transaction (except in the ordinary course of business) that may cause any material changes to its assets, liabilities, operations, shareholders' interests or other legal interests; and
- (v) without the prior written consent of the Target WFOE, the PRC Project Company shall not be permitted to conduct any acquisition, merger, amalgamation, or invest in any third party.

Term:

The Irrevocable Exclusive Call Option Agreement takes effect from the date of its execution and the exercise period of the Call Option under the Irrevocable Exclusive Call Option Agreement shall remain in effect indefinitely in accordance with the applicable and relevant PRC laws and regulations and/or until the Target WFOE having exercised such Call Option.

Notwithstanding the foregoing, the Target WFOE shall have the right to terminate the Irrevocable Exclusive Call Option Agreement and claim damages where the PRC Project Company or the PRC Project Intermediary has violated any term and condition under the Irrevocable Exclusive Call Option Agreement and failed to cure the breach within any reasonable time granted. Unless otherwise mandatorily provided by PRC Laws, the PRC Project Company and the PRC Project Intermediary have no right to terminate the Irrevocable Exclusive Call Option Agreement unilaterally.

(III) Equity Pledge Agreement

Parties:

- (i) The Target WFOE;
- (ii) The PRC Project Company; and
- (iii) The PRC Project Intermediary.

Subject Matter –
Terms of Pledge:

The PRC Project Intermediary irrevocably and unconditionally causes the entire equity interest in the PRC Project Company to be pledged to the Target WFOE as collateral for (i) the performance of all the contractual obligations of the PRC Project Company and the PRC Project Intermediary under the VIE Agreements; and (ii) timely and full repayment of the secured indebtedness due by the PRC Project Company and the PRC Project Intermediary under the VIE Agreements. The PRC Project Company consents to such pledge stated above under the Equity Pledge Agreement.

The PRC Project Intermediary undertakes to the Target WFOE, among others, that except for the performance of the Irrevocable Exclusive Call Option Agreement, without the prior written consent of the Target WFOE, the PRC Project Intermediary shall not, or allow others to, transfer all or any part of the shares, create or allow any security interest or other encumbrance that may affect the rights and interests of the Target WFOE in the equity interest in the PRC Project Company.

Enforcement: The failure of performance of any contractual obligations of the PRC Project Intermediary and/or the PRC Project Company under the VIE Agreements will result in the right of the Target WFOE to enforce its rights under the Equity Pledge Agreement.

Term: The Equity Pledge Agreement takes effect from the date of its execution and the equity pledge thereunder takes effect from the I&C Registration Date and the term shall end upon:

- (i) all contractual obligations pursuant to the VIE Agreements have been fulfilled and discharged;
- (ii) the exercise of the Call Option by the Target WFOE pursuant to the Irrevocable Exclusive Call Option Agreement;
- (iii) the Target WFOE exercising its sole discretion to demand the termination of the Equity Pledge Agreement; or
- (iv) it is terminated in accordance with the applicable and relevant PRC laws and regulations.

(IV) EIH Voting Right Delegation Agreement

- Parties:**
- (i) The Target WFOE;
 - (ii) The PRC Project Company; and
 - (iii) The PRC Project Intermediary.

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

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

Term: The EIH Voting Right Delegation Agreement remains in effect until:

- (i) the Target WFOE acquires (or becomes entitled under PRC law to acquire) ownership in the entire equity interest or all assets of the PRC Project Company;
- (ii) the Target WFOE unilaterally terminates the EIH Voting Right Delegation Agreement; or
- (iii) the EIH Voting Right Delegation Agreement is statutorily terminated under the applicable and relevant PRC laws and regulations.

(V) Power of Attorney

Parties:	The PRC Project Intermediary (executed in favour of the Target WFOE).
Subject Matter – Appointment:	<p>The Power of Attorney would be executed by the PRC Project Intermediary to irrevocably appoint the Target WFOE as their exclusive attorney and authorised person to exercise all of its rights as an equity interest holder of the PRC Project Company, including without limitation:</p> <ul style="list-style-type: none">(i) as the agent of the PRC Project Intermediary, to convene and attend the shareholders’ meetings of the PRC Project Company in accordance with its articles of association;(ii) to exercise all voting rights on behalf of the PRC Project Intermediary on all matters and resolutions discussed or resolved, or to be discussed or resolved, in shareholders’ meetings of the PRC Project Company;(iii) to make and sign, and submit to relevant governmental authorities (including registration authorities) shareholder’s resolutions and minutes of shareholders’ meetings of the PRC Project Company on behalf of the PRC Project Intermediary; and(iv) to exercise all shareholder’s rights the PRC Project Intermediary are entitled to under the PRC laws and the articles of association of the PRC Project Company.
Term:	The Power of Attorney is effective upon execution and remains in effect until the date of termination of the EIH Voting Right Delegation Agreement.

Protection of the Company's interests (through the Target WFOE) in the PRC Project Company

Each of the Irrevocable Exclusive Call Option Agreement, the Equity Pledge Agreement, the EIH Voting Right Delegation Agreement has included a provision that each agreement is binding on the successors and permitted assignees of the respective parties. In the event of death, bankruptcy, divorce, insolvency (including but not limited to being prosecuted), dissolution or deregistration of any party of the PRC Project Intermediary, the Target WFOE may exercise its option under the Irrevocable Exclusive Call Option Agreement, thus protecting the interest of the Group and allowing the Target WFOE to enforce its rights under the VIE Agreements against the successors and permitted assignees of the equity interest holders of the PRC Project Company.

In order to have effective control over and to safeguard the assets of the PRC Project Company, the Irrevocable Exclusive Call Option Agreement and Equity Pledge Agreement has provided that, without the prior written consent of the Target WFOE, the PRC Project Company shall not, in any form, dispose of significant assets (including but not limited to any significant customer resources, fixed assets, trademarks, technical knowhow or other intellectual property rights and/or other equity interests or similar interests held by the PRC Project Company), operating rights and/or dispose of all or part of its business (including sale, replacement, mortgage or disposal in any other ways), with respect to it and/or its subsidiaries (if any).

In both the Irrevocable Exclusive Call Option Agreement and Equity Pledge Agreement, there are provisions stating that, without the prior written consent of the Target WFOE, (i) the PRC Project Company shall not increase or decrease the registered capital or accept any investment or capital increase from any third parties to the PRC Project Company or change the form of the company or make any major adjustments regarding carrying out liquidation or dissolution; or the business scope, mode, profit model, marketing strategy, business policy or customer relationship; (ii) the PRC Project Company and/or its subsidiaries shall not enter into any partnership or joint venture or profit sharing arrangement with any third parties, or any other arrangements for the transfer of benefits or profit sharing in the form of royalties, service fees or consultancy fees; and (iii) the PRC Project Company shall not declare or distribute dividends or any other interests to its equity interest holders, including the after-tax profits that the PRC Project Company has not yet allocated before the commencement of the VIE Agreements.

Confer of control from the PRC Project Company to the Target WFOE

The VIE Agreements shall confer upon the Group sufficient control over the board and daily operations of the PRC Project Company. The appointment of directors of the PRC Project Company is subject to the Target WFOE being satisfied of the director's qualification and requires the explicit consent of the Target WFOE. If the Target WFOE is dissatisfied with the performance of the director(s) of the PRC Project Company and proposes to remove such director(s), the PRC Project Company shall remove such person(s) as director(s) upon the Target WFOE's proposal. Also, the PRC Project

Company shall agree with the Target WFOE that the PRC Project Company will, and its shareholders will cause the PRC Project Company to, accept proposals put forward by the Target WFOE relating to the daily operations of the PRC Project Company and employment of staff, operate all business of the PRC Project Company in the ordinary course of business and refrain from any action or omission that may adversely affect the business of the PRC Project Company.

Moreover, under the Exclusive Business Collaboration Agreement, the Target WFOE will formulate rules, regulations, internal control policies, risk control management systems, standards administration, accounting, budget, marketing, human resources and operating policies, as well as the practices which relevant to or affecting the business of the PRC Project Company, and assist the PRC Project Company in the effective implementation of relevant policies and practices.

Furthermore, for general housekeeping purpose, the Target WFOE will have the custody of the constitutional items of the PRC Project Company and all its subsidiaries, including the company chop and seal. At the request of the Target WFOE, the PRC Project Company will provide the Target WFOE with the relevant legal documents and other information on the PRC Project Company's business operation.

Last but not least, pursuant to the EIH Voting Right Delegation Agreement, the PRC Project Intermediary (as the sole equity interest owner of the PRC Project Company shall irrevocably grant to the Target WFOE all its voting rights in the PRC Project Company. Therefore, it is highly unlikely that there will be potential conflict of interests between the Group and the PRC Project Intermediary.

Dispute Resolutions in connection with the PRC Project Company

The VIE Agreements are governed by and construed in accordance with the PRC laws. Each of the VIE Agreements contains a dispute resolution clause to the effect that, amongst others, any dispute arising from the VIE Agreements between the parties should first be resolved through negotiation. In the event that the dispute cannot be resolved within 30 days through negotiation, any party may submit the said dispute to Shenzhen Court of International Arbitration for arbitration in accordance with the then prevailing arbitration rules. The arbitration shall be conducted in Shenzhen and the language used in the arbitration shall be Chinese. The decision of the arbitration shall be final, conclusive and binding on the parties.

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

RISK FACTORS AND LIMITATIONS RELATING TO THE VIE ARRANGEMENT AND THE VIE AGREEMENTS

If the PRC government concludes that the VIE Agreements for the Company and/or the PRC Project Company to operate certain businesses in the PRC do not comply with the applicable and relevant laws and regulations of the PRC, or if these laws or their interpretations change in the future, the Company and/or the PRC Project Company could be subject to the nullification of the VIE Agreement(s) and the relinquishment of the Company's interest in the PRC Project Company.

Effectiveness of Control over the PRC Project Company

The Group relies on the VIE Agreements to operate the business of the PRC Project Company. Such VIE Agreements may not be as effective in providing the Target WFOE with control over the PRC Project Company as direct ownership. If the Target WFOE has direct ownership of the PRC Project Company, it will be able to exercise its rights as a shareholder to effect changes in the board of directors of the PRC Project Company, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level, and make an impact on its business decision making. However, under the VIE Agreements, the Group relies on the performance by the PRC Project Intermediary and the PRC Project Company of their obligations under the VIE Agreements to exercise control over the PRC Project Company. If the PRC Project Company refuse to cooperate, the Company will face difficulties in effecting control over the PRC Project Company's operation of business through the VIE Arrangement, which may adversely affect the Company's business efficiency. Therefore, executing the VIE Agreements with the PRC Project Intermediary and/or the PRC Project Company may not be as effective in ensuring the Target WFOE's control over the PRC Project Company as direct ownership would be.

Limitations in exercising the option to acquire ownership in the PRC Project Company

In the case that the Target WFOE exercises its options to acquire all or part of the equity interest in the PRC Project Company under the Irrevocable Exclusive Call Option Agreement, the acquisition of the entire equity interests in the PRC Project Company may only be conducted to the extent as permitted by the applicable PRC laws and may be subject to necessary approvals and relevant procedures under applicable PRC laws. Further, a substantial amount of other costs (if any), expenses and time may be involved in transferring the ownership of the PRC Project Company, which may have a material adverse impact on the Target WFOE's businesses, prospects and results of operation. The Target WFOE may need to pay a substantial amount of enterprise income tax for the income from the ownership transfer according to the Irrevocable Exclusive Call Option Agreement.

Taxation Implications with respect to the VIE Agreements

The Group could face material adverse tax consequences if the PRC tax authorities determine that the arrangements under the VIE Agreements were not entered into based on arm's length negotiations. In that case, the PRC tax authorities may adjust the income and expenses of the Target WFOE and/or the PRC Project Company for tax purposes, which could result in higher tax liabilities on the Target WFOE and/or the PRC Project Company. The operating and financial results of the Group may be materially and adversely affected if the tax liabilities of the PRC Project Company or those of the Target WFOE increase significantly or if they are required to pay interest on late payments.

Insurance Coverage relating to the VIE Agreements and the transactions contemplated thereunder

The insurance of the Group does not cover the risks relating to the VIE Agreements and the transactions contemplated thereunder. If any risk arises from the VIE Agreements in the future, such as those affecting the enforceability of the VIE Agreements and the operation of the PRC Project Company, the financial results and financial position of the Group may be adversely affected. However, the Group will monitor the relevant legal and operational environment from time to time to comply with the applicable laws and regulations.

Economic risks of the PRC Project Company shared by the Target WFOE

As the primary beneficiary of the PRC Project Company, the Target WFOE will share both profit and loss of the PRC Project Company. Equally, the Target WFOE bears economic risks which may arise from difficulties in the operation of the PRC Project Company's business. The Target WFOE may have to provide financial support in the event of financial difficulty of the PRC Project Company. Under these circumstances, the Group's financial results and financial position may be adversely affected by the worsening financial performance of the PRC Project Company and the need to provide financial support to the PRC Project Company. However, upon Completion, the financial results of the PRC Project Company will be consolidated into the financial statements of the Group, it is likely that the Company's business and financial position will be affected if the PRC Project Company suffers losses or fails to obtain the requisite licences and approvals to continually operate its principally-engaged businesses in the PRC.

Arrangements when potential conflicts of interest arise

The Target WFOE shall rely on the VIE Agreements to exercise control over and to draw the economic benefits from the PRC Project Company. The Target WFOE may not be able to provide sufficient incentives to the PRC Project Intermediary for the purpose of encouraging it/them to act in the best interests of the PRC Project Company, other than stipulating the relevant obligations in the VIE Agreements. The PRC Project Intermediary may breach the VIE Agreements in the event of conflicts of interest or deterioration of its/their relationship with the Target WFOE, the results of which may have a material adverse impact on the Target

WFOE's business, prospects and results of operation. It is not assured that if conflicts arise, the PRC Project Intermediary will act in the best interests of the Target WFOE or that the conflicts will be resolved in favour of the Target WFOE. If the PRC Project Intermediary fail to perform its obligations under the respective VIE Agreements, the Target WFOE may have to rely on legal remedies under the PRC laws through legal proceedings, which may be expensive, time-consuming and disruptive to the Target WFOE's operations and will be subject to uncertainties as discussed above.

However, the legal adviser to the Company as to the PRC laws is of the view that pursuant to the PRC laws, the arbitration tribunal may have no power to grant the aforementioned remedies or injunctive relief or to order the winding up of the PRC Project Company. In addition, even though the VIE Agreements provide that overseas courts (e.g. courts in Hong Kong and Cayman Islands) shall have the power to grant certain relief or remedies, such relief or remedies may not be recognised or enforced under the PRC laws. As a result, in the event that the PRC Project Company or the PRC Project Intermediary breaches the terms of the VIE Agreements, the Company may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over the PRC Project Company could be materially and adversely affected.

Legal Uncertainties of the VIE Arrangement

Despite there is currently no indication that the VIE Agreements will be interfered or objected by any PRC regulatory authorities (or under any applicable and relevant law and regulation of the PRC), uncertainties still exist regarding the interpretation and application of the PRC laws and regulations especially in the segments of businesses conducted by the PRC Project Company (which are now categorised as “**restricted**”). For instance, the PRC regulatory authorities may issue further guidelines that impose stricter foreign ownership requirements in that area of business. Given the uncertain legal and business environment in the PRC, it is difficult to foresee whether the PRC regulatory authorities will take the same view regarding the VIE Agreements as the legal adviser to the Company as to the PRC laws in the future.

On 15 March 2019, the Standing Committee of National People's Congress promulgated the 2019 PRC Foreign Investment Law, which became effective on 1 January 2020. The 2019 PRC Foreign Investment Law replaces the trio of existing laws regulating foreign investment in China, namely, the Wholly Foreign-owned Enterprises Law, the Sino-foreign Equity Joint Ventures Law, and the Sino-foreign Cooperative Joint Ventures Law, together with their implementation rules and ancillary regulations, and embodies an expected PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

However, uncertainties still exist in relation to interpretation and implementation of the 2019 PRC Foreign Investment Law especially in regard to, including, among other things, the nature of VIE Arrangement. In case there would be material and adverse effect on the Target Group or the business of the PRC Project Company arising from the 2019 PRC Foreign Investment Law, the Company will timely announce (i) any updates or material changes to the 2019 PRC Foreign Investment Law; (ii) if any updates or material changes to the 2019 PRC Foreign Investment Law are implemented, a clear description and analysis of the law, specific measures taken by the Company and/or the PRC Project Group to be in compliance with the 2019 PRC Foreign Investment Law with the support of a PRC legal opinion; and (iii) any material impact of the 2019 PRC Foreign Investment Law on the Target Group's operations and financial position (if any). The VIE Arrangement has been adopted by many PRC-based companies to obtain necessary licenses and permits in the industries that are currently subject to ownership and/or foreign investment restrictions in the PRC. While neither the 2019 PRC Foreign Investment Law and its implementation regulations which took effect on 1 January 2020 has defined the VIE Arrangement as a form of foreign investment explicitly, it cannot be guaranteed that future laws and regulations will not provide for the VIE Arrangement as a form of foreign investment. Therefore, there can be no assurance that the Target Group's control over the PRC Project Company through the VIE Arrangement will not be deemed as a foreign investment under the PRC's laws governing foreign investment and/or ownership of businesses engaged in provision of the principally-engaged businesses conducted by the PRC Project Company in the future. In the event that any possible future laws, administrative regulations or provisions implementing more restrictions against the VIE Arrangement, the VIE Agreements may be deemed as invalid and illegal, and the Target Group may be required to unwind the VIE Arrangement and/or dispose of any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to the existing VIE Arrangement, the Target Group may face substantial uncertainties as to whether it can complete such actions in a timely manner, or at all.

The PRC government may determine that the VIE Agreements do not comply with the applicable PRC law, or if these regulations or their interpretations change in the future, the Target Group may be subject to penalties or be forced to relinquish its interests in those operations. There can be no assurance that the VIE Agreements will be deemed by the relevant PRC governmental or judicial authorities to be in compliance with the existing or future applicable PRC law, or the PRC relevant governmental or judicial authorities may in the future interpret the existing laws or regulations with the result that the VIE Agreements will be deemed to be in compliance of the PRC law.

ACCOUNTING TREATMENT OF THE VIE ARRANGEMENT AND THE BOARD'S VIEW

Based on the above, the Board is of the view that the VIE Agreements, when viewed in totality, are specifically tailor-made to achieve the business purposes of the PRC Project Company and to minimise the potential conflict with and are enforceable under the applicable and relevant PRC laws and regulations. The Board considers that the VIE Agreements are an effective mechanism which enables the Target WFOE to gain control over the PRC Project Company, and to be entitled to the economic interests and benefits of the PRC Project Company. The Irrevocable Exclusive Call Option Agreement also provides that the Target WFOE may unwind the VIE Agreements as soon as the applicable and relevant PRC laws and regulations permit the Target WFOE to register itself as the equity interest holder of the PRC Project Company.

The Board, based on the advice of the legal adviser to the Company as to the PRC laws, consider that the use of VIE Agreements is in compliance with the applicable and relevant laws and regulations of the PRC currently in effect and are legally binding and enforceable. As a result of the VIE Arrangement, the Group is able to exert effective control over the PRC Project Group as it has rights to exercise power over the PRC Project Company (as entitled by its equity holders), receive variable returns from its arrangements with the PRC Project Company, and has the ability to affect those returns through its power over the PRC Project Company upon the completion of the Acquisition. Consequently, the Group (as enlarged by the effective control over the PRC Project Company) will treat the Target Company, its subsidiaries, together with the PRC Project Company and/or any of its subsidiaries (if any) as controlled entities and consolidate the financial position and results of operations of these entities in the consolidated financial statements of the Group in accordance with HKFRS 10 – Consolidated Financial Statements upon the completion of the Acquisition. The Company has discussed with its auditors and confirmed the above assessment.

As at the date of the announcement, the Directors are not aware of any factors that has led or would lead to any interference or encumbrance from any governing bodies in the Group's operating the business of the Target Group through the VIE Arrangement under the VIE Agreements.

INTERNAL CONTROL MEASURES OVER THE VIE ARRANGEMENT

The VIE Agreements contain certain provisions in order to exercise effective control over and to safeguard the assets of the PRC Project Group, including without limitation the transfer restriction over the equity interests in the PRC Project Group subject to prior written consent of the Target WFOE and restriction over the declaration and distribution of dividend by the PRC Project Company. Besides, the Target WFOE is entitled to exercise the rights of the PRC Project Intermediary as shareholder of the PRC Project Company to nominate and appoint the PRC Project Company's directors and legal representative under the Power of Attorney. In addition to the abovementioned internal control measures as provided in the VIE Agreements, it is the current intention of the Company, through the Target WFOE, to implement additional

internal control measures against the PRC Project Group as appropriate, which may include but not limited to the following:

Management controls:

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

Financial controls:

- (a) the financial controller of the PRC Project Group shall be nominated by the Company. The finance team of the Company shall collect monthly management accounts, bank statements and cash balances and major operational data of the PRC Project Group for review after the end of each month. The finance team shall seek explanation on any material fluctuations of the collected items from the senior management of the PRC Project Group. Upon discovery of any suspicious matters, the finance team must report to the Board;
- (b) the PRC Project Group shall submit copies of its latest bank statements for every bank accounts after the end of each month; and
- (c) the PRC Project Group shall assist and facilitate the Group or the Target WFOE to conduct all on-site internal audit on the PRC Project Group if so required by the Company.

Legal review:

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

Starting from the second half of 2021, the real estate sector in China has experienced significant downfall and with plummeting sales and difficulties in securing new fundings under the difficult market conditions, real estate developers have been confronted with unprecedented challenges with regard to liquidity and funding. Under these circumstances, the Group has responded in a proactive manner to improving its liquidity by continuously adopting measures, such as accelerating sales and cash collection, making progress with asset disposals and strictly controlling costs and expenses. Despite these efforts, the Group's liquidity is still confronted with continuous challenges in the short-to-medium term. Furthermore, the real estates market of the PRC continues to decline despite the frequent implementation of housing support policies since 2023. The continuous drop of property price and prolonged capital recovery cycle in the domestic market has also presented severe challenges to all aspects of the local real estate industry, leading to the poor financial position of the Group.

In order to ensure the operation and the long-term development of the Group, the Group have always maintained proactive communication with its creditors. As disclosed in the Company's announcement on 7 May 2025, 4 June 2025, 6 June 2025 and 10 June 2025, the Group has successfully completed the consent solicitation regarding its offshore US\$ bonds, which will substantially wiped out its offshore debt. This will significantly reduce the Group's debt ratio, substantially optimise its balance sheet structure, effectively improve the cash flow situation, reduce indebtedness and enhance operational efficiency for the Group, thereby laying a solid foundation for the pursuit of the Group's transformation and sustainable growth. Assuming the issuance of mandatory convertible bonds due to the redemption of US\$ senior notes occurred on 31 December 2024, the Group's interest-bearing debt ratio as at 31 December 2024 would decrease significantly from 45.3% to 19.5%, and the non-current liabilities of the Group would decrease, while equity and net asset value of the Group would increase by approximately RMB3,253.9 million (equivalent to approximately HK\$3,514.2 million). Additionally, such issuance would also result in a significant increase in the Group's net profit in the first half of 2025 (actual adjustment in the amount of non-current liabilities, equity, net asset value and net profit to be recorded by the Group will be subject to the review by the auditor of the Company).

Apart from the measures above to enhance the Group's financial position, the Group is also actively introducing new productive forces business and promoting the diversification of the business matrix through the empowerment of innovative technologies, in order to strengthen its market competitiveness and creating greater value for its Shareholders.

The Target Group is a full-ecosystem service provider for "Green Energy Artificial Intelligence Computing" and is principally engaged in the AI Businesses, focusing on the development, construction, and operation of AIDC, providing AI computing power technical services and comprehensive AI solutions in the PRC. Supported by the backdrop of "AI+" as China's national development strategy, it can be anticipated that national policies will incline towards the favourable growth of AI and the demand for AI computing power in the AIDC market has surged explosively.

The Target Group's business aligns perfectly with the Chinese government's strategic emphasis on vigorously supporting the development of the AI industry, and the Target Group is among the top-tier enterprises in China's AI computing power industry, in view of the following highlighted factors: (i) the AI Businesses align with the most prevailing trend in terms of technological development; (ii) the AI Businesses are in line with national policy support in AI; (iii) the Target Group has secured, substantial and stable orders from high-quality customers with diversified background; (iv) the Target Group comprises team members of leading technical capabilities and rich practical experience; (v) future earnings and cash flow of the Target Group are stable; and (vi) the AI Businesses received enthusiastic attention from the capital market.

As the date of this announcement, the Target Group has entered into long term AI computing power services contracts and AIDC operation services contracts with certain customers including big model companies, cloud vendors, telecommunication operators and other customers, which will generate stable and gradually increasing revenue stream.

Through the Acquisition, the Group will have the opportunity to actively participate in the AI industry and related areas, thereby achieving diversification of the Group's business. On the other hand, following the Acquisition, bolstered by capital market support, the Target Group's development to lead in the AIDC field will progress on a more rapid pace. Such development will reciprocally enhance the Group's revenue and competitive capabilities by giving the Group a refreshed strategic focus onto the thriving trend of AI business, implement its innovation-driven strategic layout, assist the development of cutting-edge AI technology, and accordingly, the competitive edge derived will create greater value for the Shareholders and will form a strong complement Hong Kong-listed AI companies.

Last but not least, by satisfying the Consideration by allotment and issuance of the Consideration Shares, it would not cause immediate cash outflow pressure while the Group is seeking for potential investment opportunities and taking into account of the financial position of the Group, such settlement without obtaining additional bank borrowing and incurring additional finance costs permit the financial resources available to the Group to be utilised on the business development and general working capital of the Group, improving the gearing ratio of the Group, thereby improving its financial position.

Accordingly, the Directors (save for the members of the Independent Board Committee who will express their view after having received the Independent Financial Adviser's advice) consider that although the transactions contemplated under the Sale and Purchase Agreement, including the allotment and issuance of the Consideration Shares under the Specific Mandate, are not in the ordinary and usual course of business of the Group, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties with reference to the prevailing market conditions and are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

Save and except for Mr. Luo Jieping who is interested in 18% of the issued share capital of the Vendor, none of the Directors has any material interest in the Acquisition and the Sale and Purchase Agreement and is required to abstain from voting on the board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

EFFECTS ON SHAREHOLDINGS STRUCTURE OF THE COMPANY

Assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of the Consideration Shares, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion with the allotment and issuance of the Consideration Shares are set out below for illustrative purposes:

Shareholders	As at the date of this announcement		Immediately upon Completion with the allotment and issuance of the Consideration Shares	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
China GBA Holdings (Note 1)	414,665,566	50.94	414,665,566	36.89
Vendor	—	—	310,000,000	27.58
Other Public Shareholders	399,437,534	49.06	399,437,534	35.53
Total (Note 2)	814,103,100	100.00	1,124,103,100	100.00

Notes:

1. China Guangdong – Hong Kong Greater Bay Area Holdings Limited (“**China GBA Holdings**”) is owned as to 84% by Ruixinhaide Holdings Limited (“**RXHD Holdings**”), RXHD Holdings is owned as to 100% by Solid Wealth Holdings Limited (“**Solid Wealth**”), and Solid Wealth is owned as to 90% by Rich Grain Investments Limited (“**Rich Grain**”), which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 414,665,566 Shares through China GBA Holdings, RXHD Holdings, Solid Wealth and Rich Grain, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan (Mr. Luo Jieping, an executive Director) is also deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.
2. Shareholders and public investors should note that the above shareholding percentages for shareholding have been rounded to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 25% but less than 100%, the Acquisition pursuant to the Sale and Purchase Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

As at the date of this announcement, China GBA Holdings directly holds in aggregate 414,665,566 Shares, representing approximately 50.94% of the total issued share capital of the Company. Upon Completion at which a total of 310,000,000 Consideration Shares will be issued to the Vendor and assuming that there is no other change to the issued share capital of the Company from the date of this announcement and up to Completion, (i) the Vendor will hold 310,000,000 Shares, representing approximately 27.58% of the total number of the issued Shares as increased by the issuance of the Consideration Shares; and (ii) the shareholding percentage of China GBA Holdings in the Company will be diluted to approximately 36.89%. As a result, as each of the Vendor and China GBA Holdings will be owning more than 20% or more of the voting rights of the Company and is thus associated company (as defined in the Takeovers Code) of the Company and hence, under the definition of "acting in concert" under the Takeovers Code, the Vendor and China GBA Holdings would be presumed to be acting in concert with each other. In addition, since (i) Mr. Luo Jieping, an executive Director, is interested in 18% of the issued share capital of the Vendor and is a former director of the Vendor; and (ii) Ms. Zeng Yan, the spouse of Mr. Luo Jieping, is the ultimate beneficial owner of China GBA Holdings, the Vendor and China GBA Holdings are considered to be acting in concert with each other.

The allotment and issue of the Consideration Shares to the Vendor would result in a new acting in concert group being formed or the balance of the Group being changed significantly, where China GBA Holdings and the Vendor will in aggregate hold 64.47% of the voting rights in the Company (assuming that there is no other change to the issued share capital of the Company from the date of this announcement and up to Completion). Such increase of the Vendor's and the China GBA Holdings' collective holding of voting rights of the Company would therefore, in the absence of the Whitewash Waiver, trigger an obligation of the Vendor and China GBA Holdings to make a mandatory general offer for all the issued Shares not already owned by them and parties acting in concert with them under Rule 26 of the Takeovers Code. The Vendor will make an application to the Executive for the Whitewash Waiver.

The Executive may or may not grant the Whitewash Waiver. The Acquisition will not proceed if the Whitewash Waiver is not granted or approved. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the condition that the respective resolution(s) relating to the Whitewash Waiver on one hand, and the Acquisition on the other hand, being separately approved by at least 75% and more than 50%, respectively, of the votes cast by the Independent Shareholders at the EGM by way of poll.

If the Whitewash Waiver is approved by the Independent Shareholders, the voting rights of the Company held by the Vendor and China GBA Holdings upon the allotment and issue of the Consideration Shares will exceed 50% of the voting rights of the Company. China GBA Holdings and/or the Vendor and parties acting in concert with each of them may further increase their holdings of voting rights of the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

The view and recommendation of the Independent Financial Adviser in respect of the Sale and Purchase Agreement and the Acquisition, including the grant of the Specific Mandate, and the Whitewash Waiver will be set out in a circular to be issued by the Company to Shareholders as required by the Takeovers Code and the Listing Rules.

As at the date of this announcement, the Company does not believe that the Acquisition, including the grant of the Specific Mandate, and the Whitewash Waiver will give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules) other than those as set out in this announcement. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the whitewash circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Acquisition, including the grant of the Specific Mandate, and the Whitewash Waiver do not comply with other applicable rules and regulations.

Dealings and interest held in the Company's securities by the Vendor and parties acting in concert with it (for this purpose, excluding China GBA Holdings and parties acting in concert with it)

As at the date of this announcement, the Vendor has confirmed that:

- (i) neither the Vendor nor parties acting in concert with it has received an irrevocable commitment from anyone to vote for the Acquisition and/or the Whitewash Waiver;
- (ii) save for the proposed allotment and issue of the Consideration Shares under the Acquisition, neither the Vendor nor parties acting in concert with it holds any convertible securities, warrants or options of the Company;
- (iii) neither the Vendor nor parties acting in concert with it has entered into outstanding derivative in respect of securities in the Company;
- (iv) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares, shares of the Vendor and shares of China GBA Holdings members (which are corporations) and which might be material to the Acquisition and/or the Whitewash Waiver;

- (v) there are no agreements or arrangements to which the Vendor or any of the parties acting in concert with it is a party which relate to the circumstances in which any of them may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition and/or the Whitewash Waiver (save as the conditions precedent to the Sale and Purchase Agreement);
- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Vendor or parties acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold; and
- (vii) neither the Vendor nor parties acting in concert with it has entered into any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) with any Shareholder.

The Vendor has confirmed that it and parties acting in concert with it have not acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of, voting rights in the Company in the 6 months prior to and up to and including the date of this announcement.

Dealings and interest held in the Company's securities by China GBA Holdings and parties acting in concert with it (for this purpose, excluding the Vendor and parties acting in concert with it)

As at the date of this announcement, China GBA Holdings has confirmed that:

- (i) neither China GBA Holdings nor parties acting in concert with it has received an irrevocable commitment from anyone to vote for the Acquisition and/or the Whitewash Waiver;
- (ii) neither China GBA Holdings nor parties acting in concert with it holds any convertible securities, warrants or options of the Company;
- (iii) neither China GBA Holdings nor parties acting in concert with it has entered into outstanding derivative in respect of securities in the Company;
- (iv) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares, shares of China GBA Holdings members (which are corporations) and shares of the Vendor and which might be material to the Acquisition and/or the Whitewash Waiver;
- (v) there are no agreements or arrangements to which China GBA Holdings or any of the parties acting in concert with them is a party which relate to the circumstances in which any of them may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition and/or the Whitewash Waiver (save as the conditions precedent to the Sale and Purchase Agreement);

- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which China GBA Holdings or parties acting in concert with them has borrowed or lent, save for any borrowed shares which have been either on-lent or sold; and
- (vii) neither China GBA Holdings nor parties acting in concert with it has entered into any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) with any Shareholder.

China GBA Holdings has confirmed that they or parties acting in concert with them have not acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of, voting rights in the Company in the six months prior to and up to and including the date of this announcement.

As at the date of this announcement, no member of the Group or associated companies of the Group has entered into any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) with any Shareholder.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee, comprising of all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. Rainbow Capital has been appointed by the Company as the Independent Financial Adviser with the approval of the Independent Board Committee to advise such committees and the Independent Shareholders in relation to the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver and to make recommendations as to voting.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, pass resolution(s) to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the allotment and issuance of the Consideration Shares under the Specific Mandate, as well as the Whitewash Waiver.

As China GBA Holdings are considered to be acting in concert with the Vendor upon Completion, China GBA Holdings is regarded as having a material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate and the Whitewash Waiver, and shall abstain from voting on the relevant resolution(s) to be proposed at the EGM. Save for China GBA Holdings, no other Shareholder has a material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate and the Whitewash Waiver, and therefore no other Shareholder is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

A circular containing, among other things, (i) further details of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate; (ii) details of the application for the Whitewash Waiver; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) the accountant's report of the Target Group; (vi) the unaudited pro forma financial information of the enlarged Group (as a result of the Acquisition); (vii) the Valuation Report; (viii) other information required under the Listing Rules and the takeovers code; and (ix) a notice of the EGM, is expected to be despatched to the Shareholders within 15 business days from the date of this announcement pursuant to Rule 14.60(7) of the Listing Rules or 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been halted with effect from 9:00 a.m. on 14 July 2025 pending the issue of this announcement. Application has been made for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 July 2025.

As the Completion is subject to the satisfaction or waiver (where applicable) of the Conditions Precedent, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the acquisition by the Purchaser of the Sale Shares on the terms and subject to the conditions set out in the Sale and Purchase Agreement
“AI”	artificial intelligence
“AI Businesses”	the principally engaged businesses of the Target Group, being (i) the provision of artificial intelligence computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of artificial intelligence data centre; (iii) the operation of the artificial intelligence data centre; (iv) research and development of artificial intelligence technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated artificial intelligence solutions for customers
“AIDC”	artificial intelligence data centre
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Call Option”	such exclusive option to acquire (at any time, in one or more times), to the extent permitted under the applicable and relevant PRC laws and regulations, all or part of the equity interest and assets in PRC Project Company wholly-owned by the PRC Project Intermediary, as granted under the Irrevocable Exclusive Call Option Agreement
“China GBA Holdings”	China Guangdong – Hong Kong Greater Bay Area Holdings Limited, a controlling Shareholder (as defined in the Listing Rules)

“Company”/“Purchaser”	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the main board of the Stock Exchange (stock code: 1396)
“Completion”	the completion of the Acquisition in accordance with the terms and condition set out in the Sale and Purchase Agreement
“Consideration”	the consideration in the amount of HK\$976,500,000 for the Acquisition
“Consideration Share(s)”	310,000,000 Shares to be allotted and issued as the Consideration payable by the Purchaser
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, pass resolution(s) to approve, among other things, the Acquisition and the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate, as well as the Whitewash Waiver
“EIH”	Equity Interests Holder, being the PRC Project Intermediary under the EIH Voting Right Delegation Agreement
“EIH Voting Right Delegation Agreement”	such agreement with its terms as summarized under the sub-paragraph “EIH Voting Right Delegation Agreement” of the section headed “INFORMATION ON THE VIE AGREEMENTS” in this announcement
“Equity Pledge Agreement”	such agreement with its terms as summarized under the sub-paragraph “Equity Pledge Agreement” of the section headed “INFORMATION ON THE VIE AGREEMENTS” in this announcement
“Exclusive Business Collaboration Agreement”	such agreement with its terms as summarized under the sub-paragraph “Exclusive Business Collaboration Agreement” of the section headed “INFORMATION ON THE VIE AGREEMENTS” in this announcement

“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any delegate of such Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“I&C Registration Date”	such registration date for the equity pledge under the Equity Pledge Agreement with the relevant Administration for Industry and Commerce
“Independent Board Committee”	the independent board committee comprising of all the independent non-executive Directors, being Mr. Guan Huanfei, Mr. Han Qinchun and Mr. Chen Yangsheng, established to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committees and the Independent Shareholders in relation to the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver and to make recommendations as to voting
“Independent Shareholders”	the Shareholders other than (i) China GBA Holdings and (ii) any other Shareholder who is interested or involved in any of the Acquisition and/or the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)

“Independent Valuer”	Moore Transaction Services Limited, an independent valuer engaged by the Company to carry out the Valuation
“Irrevocable Exclusive Call Option Agreement”	such agreement with its terms as summarized under the sub-paragraph “Irrevocable Exclusive Call Option Agreement” of the section headed “INFORMATION ON THE VIE AGREEMENTS” in this announcement
“Issue Price”	HK\$3.15 per Share, being the issue price of each Consideration Share
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2026, being the long stop date contemplated under the Sale and Purchase for the fulfillment of the conditions precedent of the Acquisition
“MIIT”	Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Power of Attorney”	such deed with its terms as summarized under the sub-paragraph “Power of Attorney” of the section headed “INFORMATION ON THE VIE AGREEMENTS” in this announcement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Project Company”	Shenzhen Tiandun Data Technology Company Limited* (深圳天頓數據科技有限公司), a limited liability company established under the laws of the PRC, whose equity interest is indirectly and wholly-owned by the PRC Project Parent
“PRC Project Group”	collectively, the PRC Project Parent and its subsidiaries

“PRC Project Intermediary”	Shenzhen Tianwu Holdings Limited* (深圳天悟控股有限公司), a limited liability company established under the laws of the PRC, whose equity interest is directly and wholly-owned by the PRC Project Parent
“PRC Project Parent”	Beijing Tianqidun Data Technology Company Limited* (北京天奇頓數據科技有限公司), a limited liability company established under the laws of the PRC, whose equity interest is wholly-owned by the Registered Shareholders
“Registered Shareholders”	the registered shareholders of the PRC Project Parent, being: <ul style="list-style-type: none"> – Mr. Zhong Junhua (鍾軍華); – Mr. Luo Jieping (羅介平); – Mr. Huang Zhiwen (黃志文); – Mr. Chen Keya (陳科涯); – Mr. Cai Sanyan (蔡三艷); – Mr. Zhou Baikui (周柏魁); and – Mr. Chen Zhizhong (陳志中)
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into by the Company, (as the Purchaser) and the Vendor, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor have conditionally agreed to sell the Sale Shares, being the entire issued share capital of the Target Company, at the Consideration in the amount of HK\$976,500,000, with such Consideration be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price
“Sale Shares”	10,000 shares in the Target Company (representing the entire issued share capital of the Target Company)
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares in the issued share capital of the Company, in the par value of HK\$0.10
“Shareholder(s)”	holder(s) of the Share(s)

“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant to the Board the authority for the allotment and issuance of the Consideration Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Wisdom Knight Holdings Limited, an investment holding company established under the laws of British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries, together with the PRC Project Company and its operating subsidiaries
“Target WFOE”	Shenzhen Shisong Holdings Limited* (深圳士頌控股有限公司), a wholly foreign-owned enterprise established under the laws of the PRC with limited liability, which (through the Target Company’s wholly-owned subsidiary established in Hong Kong) is indirectly and wholly-owned by the Target Company
“trading day”	means a day on which the Exchange is open for the trading of securities
“USA”	United States of America
“Valuation”	the valuation of the market value of the entire issued share capital of the Target Group as at the Valuation Reference Date as appraised by the Independent Valuer by way of discounted cash flow method under the income approach
“Valuation Reference Date”	31 March 2025
“Valuation Report”	The valuation report dated 29 July 2025 prepared by the Independent Valuer regarding the Valuation. The full text of which is set out in Appendix III of this announcement

“VAT License”	such valued-added telecommunications license (internet data center services, internet access services) required under the Telecommunications Regulations of the PRC* (《中華人民共和國電信條例》) for the provision of value-added telecommunication service
“Vendor”	Champion Road Group Limited, an investment holding company established under the laws of British Virgin Islands with limited liability
“VIE Agreements”	a series of agreements, including the Exclusive Business Collaboration Agreement, the Irrevocable Exclusive Call Option Agreement, the Equity Pledge Agreement, the Power of Attorney, the EIH Voting Right Delegation Agreement, which have been respectively executed and taken effect on 29 November 2024, 3 June 2025 and 30 June 2025 for the purpose of establishing and maintaining the VIE Arrangement
“VIE Arrangement”	the variable interest entity arrangement between the PRC Project Company held by the PRC Project Intermediary and the Target WFOE
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of China GBA Holdings and the Vendor to make a mandatory general offer for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by China GBA Holdings and the Vendor and parties acting in concert with them as a result of the Completion
“WTO”	World Trade Organization
“%”	per cent

By order of the Board
Guangdong – Hong Kong Greater Bay Area Holdings Limited
LUO Jieping
Chairman and Executive Director

Hong Kong, 29 July 2025

Unless the context requires otherwise, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB1 to HK\$1.08. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

As at the date of this announcement, the executive Directors of the Company are Mr. Luo Jieping, Mr. He Fei and Ms. Wei Haiyan, and the independent non-executive Directors of the Company are Mr. Guan Huanfei, Mr. Han Qinchun and Mr. Chen Yangsheng.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

** For identification purpose only*

APPENDIX I – REPORT FROM THE REPORTING ACCOUNTANTS

The following is the text of a report from Prism Hong Kong Limited, the reporting accountants of the Company, for the purpose of inclusion in this announcement.



29 July 2025

The Board of Directors
Guangdong – Hong Kong Greater Bay Area Holdings Limited
Unit 916, 9/F China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Dear Sirs,

INDEPENDENT ASSURANCE REPORT

We have examined the calculations of the underlying discounted future cash flows (the “**Underlying Forecast**”) to the business valuation (the “**Valuation**”) dated 29 July 2025 prepared by Moore Transaction Services Limited (the “**Valuer**”) in respect of the valuation on Wisdom Knight Holdings Limited (the “**Target Company**”) in connection with the proposed acquisition of 100% equity interest in the Target Company by Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “**Company**”) as of 31 March 2025.

Directors’ Responsibilities

The directors of the Company and the Target Company (the “**Directors**”) are solely responsible for the preparation of the Underlying Forecast including the bases and assumptions, for the purpose of business valuation of the Target Company based on discounted cash flow method. The Underlying Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”) that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Even if the events anticipated occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. The Directors are responsible for the reasonableness and validity of the Assumptions.

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, (“**HKICPA**”) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, based on our work on the Underlying Forecast and to report our opinion solely to you, as a body, solely for the purpose of reporting under Rule 14.62 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 10 and 11.1 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) (“**HKSAE 3000 (Revised)**”) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. We examined the arithmetical accuracy of the Underlying Forecast. We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

We have planned and performed such procedures as we considered necessary to assist the Directors solely in evaluating whether the Underlying Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the Assumptions made by the Directors. Our work does not constitute any valuation of the Target Company.

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

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Underlying Forecast has been properly compiled in accordance with the Assumptions adopted by the Directors as set out in the Valuation.

Yours faithfully,

Prism Hong Kong Limited

Certified Public Accountants

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

APPENDIX II – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the Valuation Report is based on discounted cash flow method, it is deemed to be a profit forecast under the Listing Rules and Rules 10 and 11.1(a) of the Takeovers Code. The following is the full text of a letter from the Independent Financial Adviser in relation to the Valuation Report, for the purpose of, among other things, incorporation into this announcement.



RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

29 July 2025

The Board of Directors

Guangdong – Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F China Merchants Tower

Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

Dear Sirs,

We refer to the valuation report (the “**Valuation Report**”) prepared by Moore Transaction Services Limited (the “**Valuer**”) in respect of the valuation of the entire issued share capital of Wisdom Knight Holdings Limited (the “**Target Company**”) as at 31 March 2025 (the “**Valuation**”).

We noted that the Valuation has been developed by way of discounted cash flow method under the income approach which is regarded as a profit forecast (the “**Forecast**”) under (i) Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and (ii) Rules 10 and 11.1(a) of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”). This letter is issued in compliance with the requirement under (i) Rule 14.60A(3) of the Listing Rules and Rule 10.3 of the Takeovers Code; and (ii) Rule 11.1(b) of the Takeovers Code.

Details of the Valuation are set out in the announcement of the Company dated 29 July 2025 (the “**Announcement**”), of which this letter forms part.

For the purpose of providing this letter, we have conducted the following due diligence:

- (i) reviewed the Valuation and the underlying Forecast, for which you as the directors of the Company (the “**Directors**”) are solely responsible;

- (ii) reviewed and discussed with the management of the Company and the Valuer and obtained supporting documents in respect of the valuation methodologies and the bases and assumptions upon which the Forecast and the Valuation have been made;
- (iii) considered the letter addressed solely to and for the sole benefit of the Directors from Prism Hong Kong Limited dated 29 July 2025 regarding the calculations upon which the Forecast have been made;
- (iv) reviewed and discussed with the Valuer and obtained supporting documents for the Valuer's qualification and experience. We noted that (i) the Valuer is the transaction services arm of Moore Hong Kong, which was established in 1975 and provides a full scope of services including audit, assurance, accounting, business outsourcing, tax and other advisory work; and (ii) Mr. Kenneth Ma, the responsible person of the Valuation, is a registered valuer member of the Royal Institute of Chartered Surveyors and has over 10 years' experience in business valuations in Hong Kong and the PRC, including AI related business valuation experience; and
- (v) reviewed the terms of engagement of the Valuer, in particular to their scope of work. We noted that their scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuer in the Valuation Report.

The Forecast has been prepared using a set of assumptions. As stated in the section headed "5.6 Financing Plan" in the Valuation Report, the Target Group planned to raise financing of RMB1,559 million at reasonable interest costs during the forecast period, approximately 75% of which had been obtained by the Target Group as at the date of the Valuation Report with the remainder being actively negotiated with banks. In this regard, we have obtained and reviewed all borrowing agreements entered into between the Target Group and relevant banks and financial institutions as at the date of this letter. We concur with the Independent Valuer that the Target Group had strong financing capacity to meet its capital expenditure requirements during the forecast period.

On the basis of the foregoing, we are satisfied that the Forecast and the Valuation, for which you as the Directors and the Valuer are solely responsible, have been made by you after due care and consideration and that the bases and assumptions therein have been made with due care and objectivity and on a reasonable basis. We are also satisfied that the Valuer is suitably qualified and experienced with sufficient current knowledge, skills and understanding necessary to undertake the Valuation and that reliance could fairly be placed on the Valuer's work.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under (i) Rule 14.60A(3) of the Listing Rules and (ii) Rules 10.3 and 11.1(b) of the Takeovers Code and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

APPENDIX III – VALUATION REPORT

The following is the text of a report prepared for the purpose of incorporation in this announcement received from Moore Transaction Services Limited, an independent valuer, in connection with its valuation as at 31 March 2025 of the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI). In compliance with the requirement under Rule 11.4 of the Takeovers Code, Moore Transaction Services Limited has made the statement that there is no material difference in the Valuation between the Valuation Reference Date and the date of the Valuation Report.



Moore Transaction Services Limited

1013, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

29 July 2025

The Directors

Guangdong – Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F, China Merchants Tower

Shun Tak Centre, 168–200 Connaught Road Central Hong Kong

Dear Sirs,

Re: Valuation of the Market Value of 100% Equity Interest in Wisdom Knight Holdings Limited (BVI)

1. EXECUTIVE SUMMARY

1.1. Introduction

We have been engaged by Management to provide our opinion on the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI) as at 31 March 2025 for the Company's acquisition and public disclosure purposes.

In compliance with the requirement under Rule 11.4 of the Takeovers Code, we confirmed that there is no material difference in the Valuation between the Valuation Reference Date and the date of this report.

1.2. Scope of Valuation

Our scope of services covers the Valuation of the market value of the 100% equity interest in the Target Company as at the Valuation Date.

Our scope of services covers the Valuation and our valuation work was high-level and desktop-based and primarily based on the information provided by Management and/or Target Management which is assumed to be true, faithful and complete.

1.3. Purpose of Valuation

The purpose of our Valuation is for your acquisition and public disclosure purpose only. The Valuation and this report are not prepared for the use of any other purposes such as but not limited to accounting reference purpose.

The intended use of the Valuation is to serve a part of the information the Company considered in assessing its own decision regarding the transaction and the corresponding transaction price as the basis for compliance of the Listing Rules. The ultimate transaction, if it happens, and the corresponding acquisition prices would be the result of negotiations between the transacting parties. The responsibility for determining the transaction price of the equity interest of the Target Company rests solely with the Company. The results of our analysis should not be construed to be a fairness opinion, a solvency opinion, or an investment recommendation. Third parties should conduct their own investigation and independent assessment of the financial projections and underlying assumptions.

1.4. Date of Valuation

The Valuation Date is 31 March 2025.

1.5. Scope of Work

As part of our tasks of completing the Valuation, we have carried out the followings:

- Perform physical inspections to the business locations of the Target Group and/or any other related entities, if any;
- Discussion with Management and/or Target Management in relation to the historical, current and future development, operations and other relevant information of the Target Group;
- Review of relevant information and other relevant data concerning the Target Group provided to us by Management and/or Target Management;
- Performing market research and relevant statistical figures from public sources in relation to the valuation of the Target Company; and
- Preparation of a valuation model to derive the market value of the entire issued share capital of the Target Company and this Valuation Report.

On the other hand, our scope of work does not cover the followings:

- Performance of any structural survey or provision of any opinions concerning any structural defects of any of the properties of the Target Group;
- Comment on the definition, including the scope of the assets and liabilities, of the Target Group which are defined by the Target Company and its accountant. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Comment on the accounting treatment of any assets/liabilities being valued/ reviewed, wherever and whenever relevant. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Valuation of any specific intangible assets such as agreements, licenses, know-how, distribution channel, customer relationship, contracts, patents, etc.;
- Assessments of and comment on the operational, legal, regulatory, country and other risks that are associated with the existing and future operations of the Target Group;
- Performance of any identifications or valuations on any off-balance sheets assets/liabilities of the Target Group nor factor them in the Valuation. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Performance of any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work which should be carried out by the relevant experts to be appointed by the Company, if necessary;
- Provision or review of, without limitation, professional advices other than valuation advices, such as advices on legal, regulatory, accounting or taxation matters; and
- Valuation of any specific assets/liabilities or classes of assets/liabilities of the Target Group, including but not limited to properties, plant & equipment, receivables & account payables, intangible assets such as contracts or patents, etc.

2. BACKGROUND

2.1 Background of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company is listing on the Main Board of the Hong Kong Stock Exchange (stock code: 1396) since 31 October 2013.

The Company is principally engaged in the development of urban renewal projects in the Greater Bay Area in the PRC.

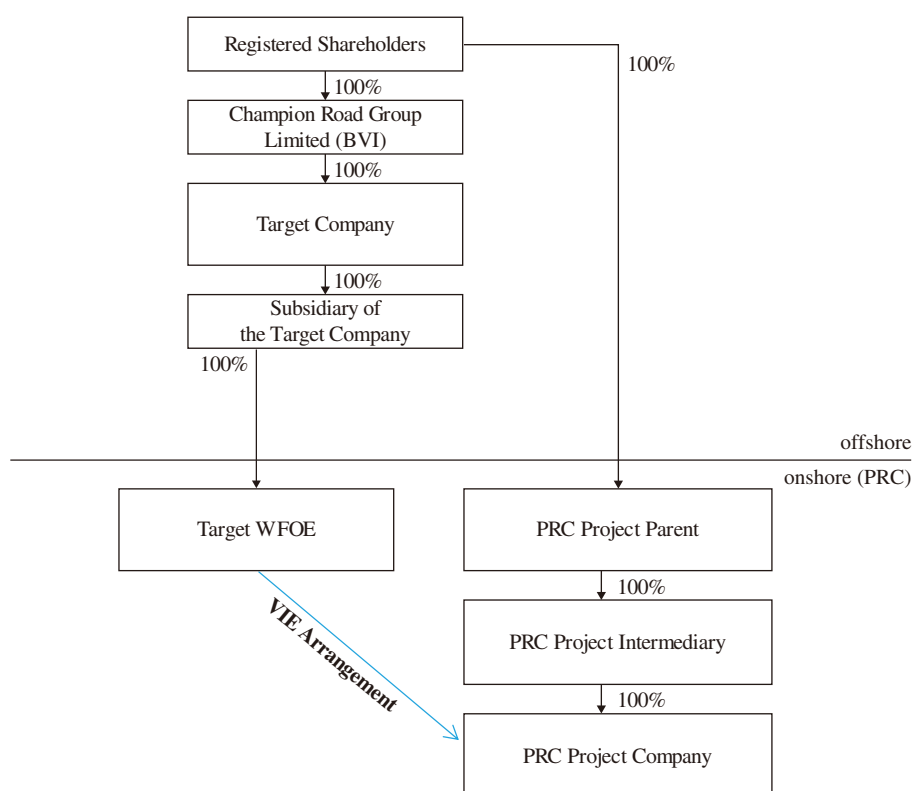
2.2 Background of the Target Group

The Target Company is an investment holding company incorporated under the laws of British Virgin Islands on 8 August 2024 with limited liability. The Target Company directly and wholly-owns an investment holding company established under the laws of Hong Kong with limited liability as subsidiary which in turn it holds the Target WFOE.

The operating entities in the PRC Project Group become controlled entities of the Target WFOE through arrangement of the VIE Agreements. The Registered Shareholders (i.e. the ultimate beneficial owners of the Target Group) together hold the entire equity interests in the PRC Project Parent, and through the PRC Project Intermediary, it holds the PRC Project Company, which in turn holds the operating subsidiaries in the PRC Project Group.

The Target Group is principally engaged in AI Businesses, comprising (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of AIDC; (iii) the operation of AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for its customers. Per Management, it is confirmed that all necessary permits, business certificates, licenses and legal approvals have been obtained.

The organization structure of the Target Group as of the Valuation Date is presented as below:



Source: Target Management

2.3. Historical Financial Review

The Target Group's consolidated historical key income statement and balance sheet items as of the Valuation Date are shown in the following table:

Financials (RMB'000)	FY22A	FY23A	FY24A	1Q24U	1Q25A
Revenue	50,872	61,633	236,640	6,355	174,441
Gross Profit/(Loss)	6,789	3,150	53,081	(254)	50,973
Net Profit/(Loss)	(78,026)	(56,695)	(894)	(8,713)	23,361
Total Asset	450,086	493,823	1,231,343	480,202	2,093,669
Equity	50,957	47,813	63,439	39,900	178,150

Source: Target Management

The audited financial statements as of 31 March 2025 are the latest available financial information provided to us.

For FY22A, FY23A, FY24A, and 1Q25A, the revenue generated by the Target Group amounted to approximately RMB50.9M, RMB61.6M, RMB236.6M and RMB174.4M, respectively.

The revenue in FY23A increased slightly as compared to that in FY22A. In FY24A, there was a significant increase of approximately RMB175.0M as compared to that in FY23A (amounting to approximately 284% increase in revenue), which was mainly due to: (i) an increase of approximately RMB73.1M in data centre construction income; (ii) an increase of approximately RMB21.4M in data centre operation income; and (iii) an increase of approximately RMB76.2M in AI computing power technical services income, driven by the surge in AI computing power demand in FY24A.

As for 1Q25A, the revenue recorded has already achieved RMB174.4M (which was approximately 73.71% of that of FY2024), and that was attributable to the strong growth in AI computing power technical services income owing to the continuous surge in AI computing power demand. The LTM revenue of the Target Group reached RMB404.7M as of 31 March 2025.

The Target Group successfully turned its after-tax performance from a loss position to a profit-earning status during 1Q25A, indicating that the Target Group's execution of its AIDC business model improved the operational efficiency and profitability.

The total assets of the Target Group increased dramatically from RMB493.8M as of 31 December 2023 to RMB1,231.3M as of 31 December 2024, and further to RMB2,093.7M as of 31 March 2025. The equity of the Target Group also increased accordingly. This significant increase was due to the AIDC business was highly demand for fixed assets such as servers and equipment, which drove substantial investment in infrastructure. According to the latest financial statement, the largest portion of the total asset was the property, plant and equipment, amounted to 65% of the total asset.

2.4. Major Risk Factors

As discussed with the Management, the Target Group faces several risk factors, which include but not limited to the following:

- **Regulatory Risk:** Stringent regulatory requirements or restrictions on data centre development may adversely affect the results of operations. Non-compliance can lead to fines, legal action, and reputational damage;
- **Market Risk:** With the rapid development of the data centre market, more and more companies are entering the field and the market is becoming increasingly competitive. The Target Group may face challenges such as squeezed market share, loss of customers and price wars;

- **Financing Risk:** The data centre business requires significant capital expenditures and resource commitments prior to recognizing revenue for the services. Thus, the business of the Target Group is capital-intensive, and it may expect good capacity to generate capital in a short term to meet the anticipated capital requirements.
- **Operation Risk:** The Target Group faces operational risks such as employee fraud, data breaches, increasing power costs, limited availability of power resources and natural disasters; and
- **Network Security Risk:** The Target Group’s business involves storing and processing large amounts of sensitive data, making it an easy target for cyber-attacks. Once hacked, it may lead to data leakage, service disruption and even legal proceedings.

According to Management, they are aware of the risk factors abovementioned and will take appropriate actions such as regularly conducting market analysis to keep abreast of market trends and technological development; conducting competitive analysis and carrying out effective and consistent compliance management, and closely monitoring the macroeconomic environment to attempt to mitigate these and other possible risks.

These risk factors have been taken into account in estimating the company-specific risk premium as set out in section 4.5.6. “Parameters of Discount Rate”.

3. INDUSTRY OVERVIEW

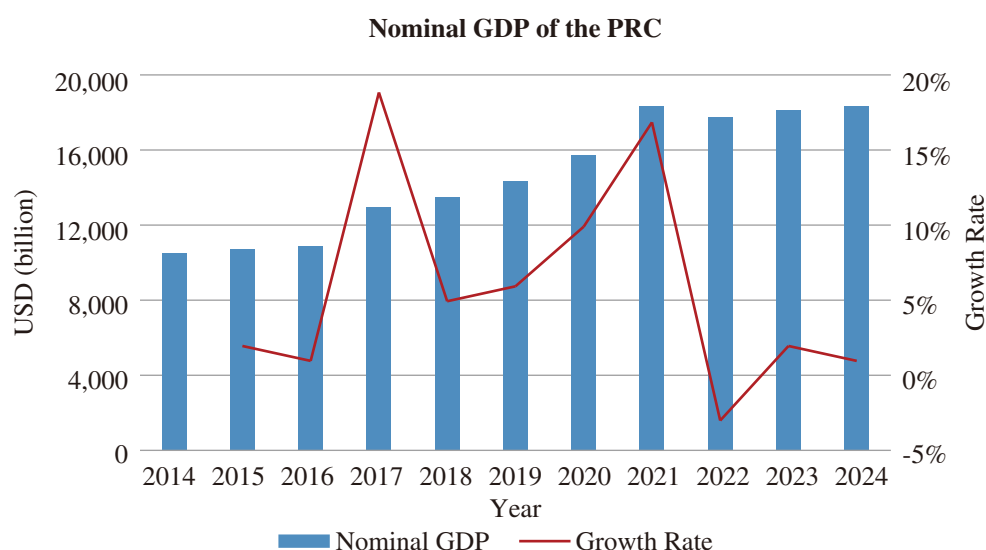
3.1. PRC Economy

Since the economic reform of incorporating capitalism within a command economy in the late 20th century, PRC experienced rapid economic growth and is currently the world’s second-largest economy.

According to publicly available data, PRC’s Nominal GDP increased from USD10,574B in 2014 to USD18,483B in 2024, representing a CAGR of approximately 5.7% in the last decade. Meanwhile, PRC’s Nominal GDP per capita also grew steadily from USD7,682 in 2014 to USD13,124 in 2024, representing a CAGR of approximately 5.5%.

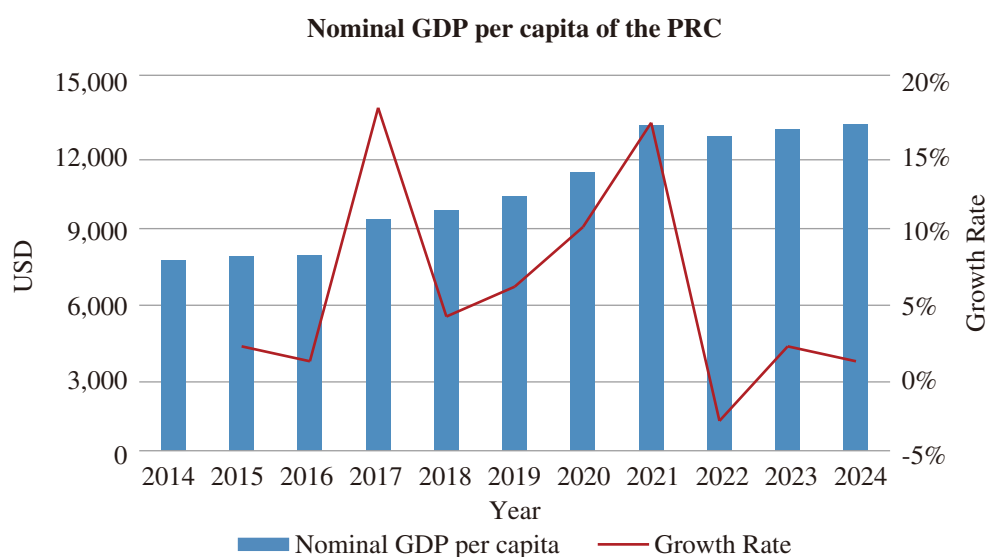
The historical trends of the Nominal GDP and Nominal GDP per capita are shown below:

Chart 3.1.a: Nominal GDP of the PRC



Source: S&P Capital IQ, Moore's analysis

Chart 3.1.b: Nominal GDP per capita of PRC



Source: S&P Capital IQ, Moore's analysis

PRC economy faced continued challenges in 2024 amid persistent structural adjustments and external uncertainties. Escalating geopolitical tensions with the U.S. and slower-than-expected global demand further strained trade-dependent sectors, while domestic deflationary pressures and a prolonged property market downturn weighed on domestic consumption. Nevertheless, the economy stabilized modestly through targeted fiscal stimulus and accelerated industrial upgrading in high-tech manufacturing and green energy sectors.

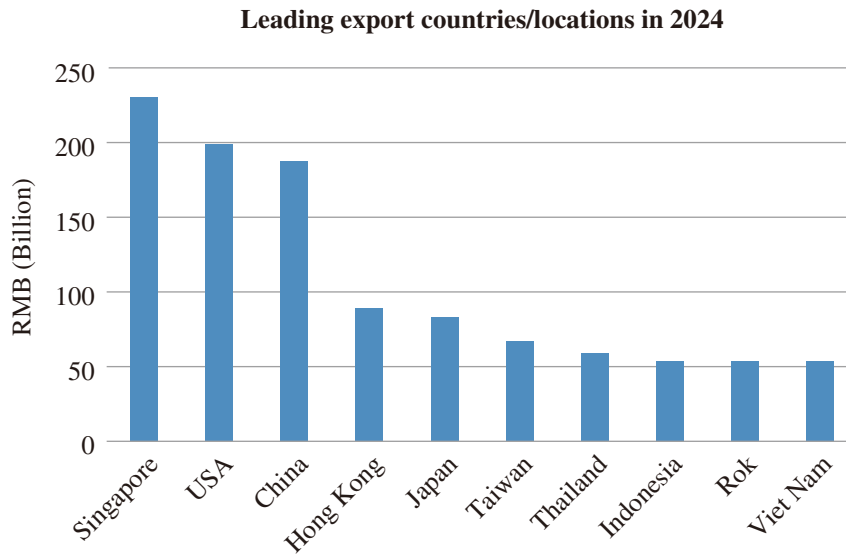
Economic growth in 2024 is projected at 4.6%, supported by state-led investments in advanced technologies, renewable energy infrastructure, and strategic stockpiling of critical resources. Consumer activity remained cautious, however, with retail sales growth hovering near 3.5%, reflecting lingering confidence gaps and youth unemployment concerns. Despite incremental recovery, vulnerabilities such as debt-laden local governments, export dependency on volatile markets, and an aging demographic profile continued to cloud medium-term prospects.

Ever since the PRC government allowed foreign direct investments within its border, many foreign firms have entered the PRC market. About foreign direct investment (FDI) trends, from 2014 to 2018, annual net FDI inflows averaged approximately USD128B. According to the Peterson Institute, post 2019 U.S. and PRC trade tensions intensified volatility, with net inflows dropping sharply to USD18.1B in 2022 and further to USD15.5B in 2023. Equity investments (e.g., profit reinvestments) surged to USD38.7B in 2023, reflecting long-term foreign investor commitment. Geopolitical risks in 2024 continue to cloud FDI recovery prospects.

In recent years, the impact of the demographic shift of the PRC is becoming more and more evident. The labor force in PRC indicated a general decreasing trend in recent years. As National Bureau of Statistics, working-age population peaked at 988M in 2015 but declined by 0.3% annually due to aging. From 2020 to 2023, pandemic disruptions accelerated labor force contraction, reducing it by 21.21M over three years. Mentioned by Statista, by 2024, the workforce is to fall to 966M, this decline has lowered potential GDP growth to 4%–5%, forcing industries to automate and transition to service sectors.

In terms of international trade and tariff impacts, according to Statista, the PRC remained the world's largest goods exporter from 2014 to 2024, with 2024 exports reaching USD3.58T and imports USD2.59T. Despite U.S. tariffs imposed in 2018, China's exports to the U.S. still accounted for 10.7% of total exports in 2024. In 2024, "decoupling" risks persist, but trade with Belt and Road Initiative partners and ASEAN nations rose to 37%, partially offsetting reliance on Western markets.

Chart 3.1.c: Leading export countries/locations in 2024



Source: Statista

On the other hand, as Ministry of Finance of the PRC, to counter slowdowns, annual infrastructure investment averaged over RMB1.2T in 2024. Post 2020, focus shifted to “new infrastructure” (e.g., 5G, new energy), with transportation spending hitting RMB3.9T in 2024, up 7.2% year-on-year. The 2024 fiscal deficit target is set at 3.0%, prioritizing tech innovation and green transition. Going forward, the PRC government remains confident that the local economy is resilient and will recover steadily.

3.2. Internet Data Centre Industry of the PRC

Compute centres are mainly composed of heating, cooling, water, and electricity infrastructure and IT software and hardware equipment and possess compute, carrying capacity, and storage capacity. According to the “Action Plan for the High-Quality Development of Computing Power Infrastructure” (算力基礎設施高質量發展行動計劃) published by Chinese Ministry of Industry and Information Technology (MIIT) and five other departments on the website of the Central People’s Government of the PRC in October 2023, compute centre types include general purpose data centres, intelligent computing centres (also refers to the AIDC), and supercomputing centres.

Compute is the ability of a data centre server to process data and output the result. It is a comprehensive indicator to measure the computing capabilities of a data centre, including general purpose computing power, intelligent computing power and supercomputing power. Its common unit of measurement is the number of floating-point operations performed per second (FLOPS; 1 EFLOPS = 10^{18} FLOPS; 1 ZFLOPS = 10^{21} FLOPS). The larger the value, the greater the comprehensive compute provided.

In the past, outsourced data centre facilities were primarily used by enterprises as an alternative to on-premises capacity or for IT system redundancy. In the booming digital economy, computing power, as the core productive force, is playing an increasingly crucial role.

Computing power refers to data processing capability, the core of which relies on various types of chips such as central processing units (CPUs), graphics processing units (GPUs), and specialised integrated circuits (ASICs). Chips are carried in all kinds of computers, servers, high-performance computing clusters, and all kinds of smart terminals, and process and handle massive digital applications and data through cloud computing and edge computing technologies.

Internet data centre offers several advantages, include but not limit to the following:

- **Cost Savings:** Internet data centre helps companies to reduce capital expenditures on infrastructure and focus on core business activities, benefiting from economies of scale.
- **Scalability and Flexibility:** Internet data centre providers can expand capacity as needed, catering to a variety of customer requirements for space, power, networking, and cloud configurations.
- **Reliability and Efficiency:** Equipped with high-density and advanced power management, internet data centre ensures high availability and operational efficiency, reducing carbon emissions.

Major clients of internet data centre industry typically fall into categories such as cloud service providers, internet companies, financial institutions, and other large enterprises and public services. The primary selling points to these customers are availability, reliability, and efficiency.

To cater to diverse customer segments, data centre service providers often utilize two distinct business models: wholesale and retail. Generally, cloud service providers and large internet companies need extensive space per facility and a degree of customization to accommodate their proprietary server and rack designs. In the wholesale model, providers commit a substantial part or the whole of a data centre to these customers, often securing these agreements while the centres are still being built. These contracts can extend for five to ten years with a low turnover rate.

Conversely, financial institutions, large enterprises, and public service clients, who usually require fewer cabinets and no customization, can be served under the retail model. This model involves multiple customers sharing the same facility. Retail contracts are generally shorter in duration but come with higher pricing per cabinet.

The entry barriers of internet data centre industry are high. These barriers include:

- **Limited Suitable Locations:** The scarcity of appropriate sites for building data centres due to land acquisition, power supply, and regulatory challenges.
- **Network Effect Platform:** The advantage that leading players have by offering interconnected data centres that provide various benefits and create a network effect.
- **Development and Operational Expertise:** The specialized knowledge required to develop and operate data centres, including land sourcing, regulatory compliance, and technical infrastructure setup.
- **Operating Track Record:** The importance of a proven history of reliable operations and security for data centre providers.
- **Customer Relationships:** The sticky nature of customer relationships due to the high cost of relocation and the preference for staying with the same provider.
- **Financial Strength:** The significant capital investment needed to develop and maintain high-performance data centres.

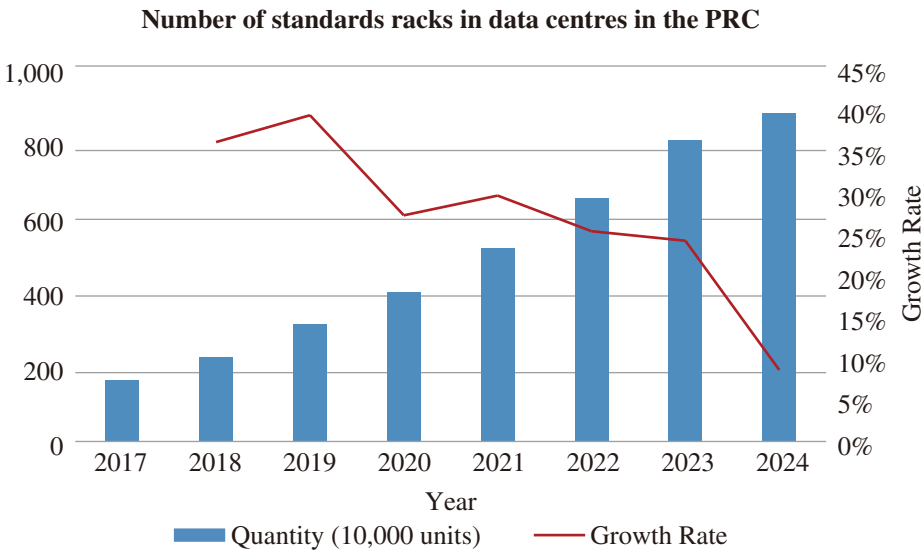
These factors make it difficult for new competitors to enter the market, thus defining the competitive landscape of the data centre industry.

According to iResearch, the primary PRC data centre markets are located in key economic centres, including areas around Shanghai, Beijing, Shenzhen, Guangzhou, Hong Kong, etc., which are referred to as tier 1 markets. Due to limited land availability and restrictions on power supply permissions in tier 1 markets, data centre operators have been developing facilities on the outer edge of these areas to fulfil customer requirements for larger-scale IT deployments and allow for future expansion while maintaining acceptable network latency levels. According to Insight and Info, an independent market research provider, in 2022, the proportion of data centres in the eastern developed provinces, i.e. the tier 1 market, was 68%, while the proportions in the central, western, and north-eastern regions were 15%, 12%, and 6%, respectively. From 2020 to 2023, the newly added racks were also mainly concentrated in the areas surrounding tier 1 cities. The proportion of newly added cabinets in the regions surrounding Beijing, Shanghai, and Guangzhou accounted for as high as 68%.

Beyond tier 1 markets, data centre providers are expanding into other regions using different models, such as build-to-suit, to cater to customers' needs for storing less critical data and applications in larger volumes and at lower costs.

According to the Ministry of Industry and Information Technology, in 2024, the number of standard racks in the PRC exceeded 8.8M, representing a 16.5% increase from 2023, effectively supporting computing power resource allocation and data circulation with a total computing power of 280 EFLOPS. By March 2025, the number of standard rack surpassed 9M. Amid the booming demand for artificial intelligence, general purpose computing centres are trending towards being upgraded to intelligent computing centres. Below chart shows the historical number of standard racks in data centres in the PRC.

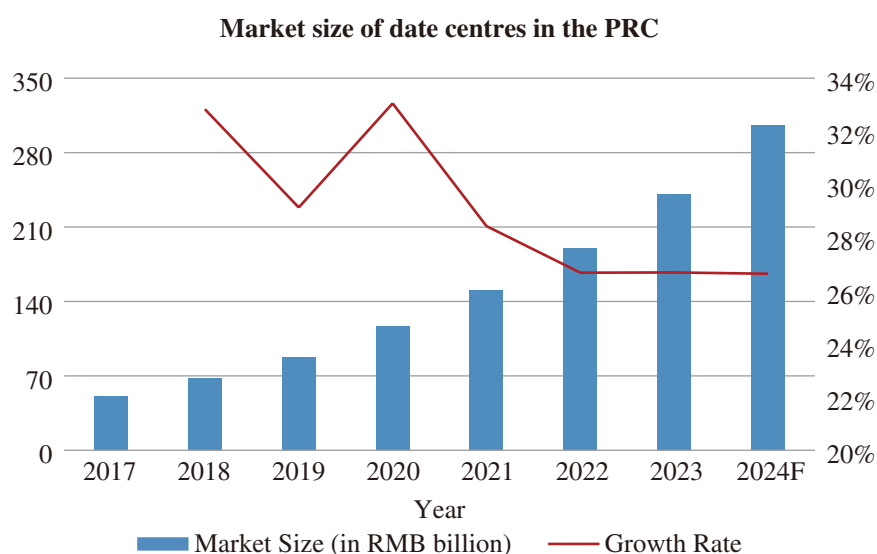
Chart 3.2.a: Number of standard racks in data centres in the PRC



Source: China Academy of Information and Communications Technology (CAICT, a scientific research Institute directly under the Ministry of Industry and Information Technology of the PRC)

Since 2017, the market size of the data centre industry in the PRC has achieved double-digit growth. In 2023, the market size reached approximately RMB240.7B, with a year-on-year growth of 26.68%. It is projected to reach RMB304.8B in 2024. Below chart exhibits the market size of data centres in the PRC.

Chart 3.2.b: Market size of data centres in the PRC



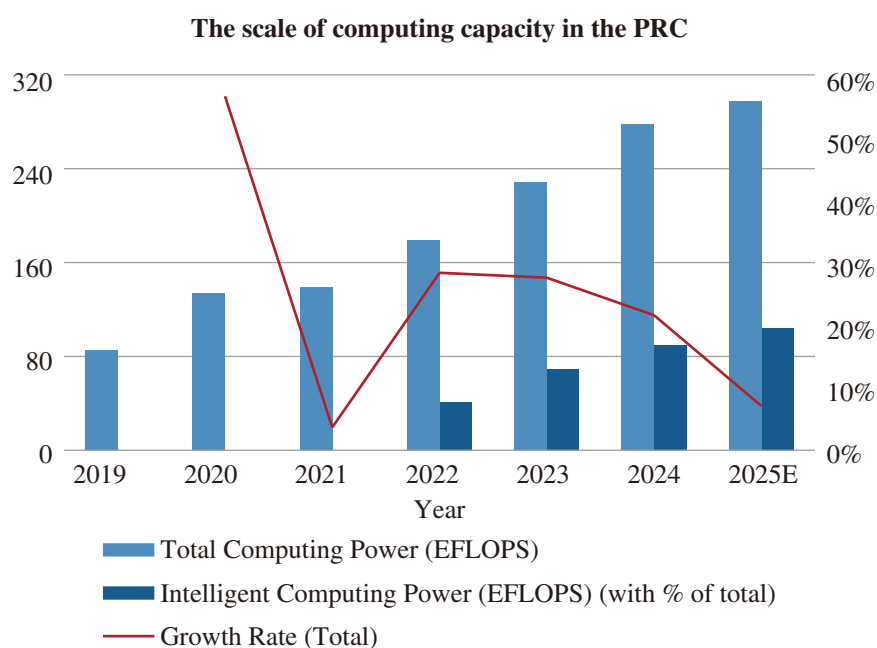
Source: CAICT

The growth is driven by factors: such as strong policy support from the national “New Infrastructure” strategy and the “Digital China” initiative has provided a powerful impetus for the industry; increasing demand for digital transformation across regions and industries has continuously driven up the market demand for data centres; technological advancements have led to the development of high-density and high-power data centres.

AIDC, as the “super engine” of the computing power era, has become a key driving force for the development of artificial intelligence and the digital transformation of various industries. With the further development of AI-related technologies, the investment and construction of intelligent computing industries in various regions of the PRC, and the release of computing power of large models on end sides, it is expected that by 2028, the market size of intelligent computing power in the PRC will approach RMB2,500B.

According to the “Action Plan for the High-Quality Development of Computing Power Infrastructure”, the target total computing scale from 2023 to 2025 were set to 220, 260 and 300 EFLOPS each year, with intelligent compute proportion of 25%, 30% and 35%, respectively. Below table shows the actual and forecast scale of computing power in the PRC. It shows that the actual total computing power scale and the actual intelligent computing power proportion both surpassed the target set by MIIT. The action plan also proposed quantitative targets such as the establishment of 50 individual intelligent computing centres by 2025.

Chart 3.2.c: The scale of computing power in the PRC



Source: Qianzhan Industrial Research Institute

Traditional data centres rely on manual management, while AIDCs use AI for intelligent resource scheduling, fault prediction, and energy optimization. This boosts data centre efficiency and cuts operational costs. AIDCs also offer flexibility in scaling computing resources to meet business demands, providing elastic computing services.

While artificial intelligence generated content (AIGC) has been dominating media and market attention, the “next big thing” has been developing rapidly in the background in the PRC, in the form of super-scale AI infrastructure. It involves, among other things, a national computing power network; data centre clusters from Guangdong to Inner Mongolia and from Gansu in the West to Anhui in the East; centres for the development/training of large language models; and abundant green energy integrated with massive energy storage facilities. What is rapidly emerging is a gigantic national network connecting smart grids, intelligent network routing and energy storage.

Computing power centre industry in the PRC is in a comprehensive construction phase, but faces challenges like uneven design and construction quality, low energy efficiency, and insufficient security. A multi-dimensional evaluation standard system is needed. From the eight major computing power hubs of the “East Data West Computation” project to the ten national data centre clusters and various computing centres nationwide, China is building an efficient, green, and collaborative computing power network. These centres meet domestic data processing demands and support AI, scientific research, and industrial simulation. With technological progress and policy support, computing power centres will play a bigger role in economic and social development in the PRC.

4. BASIS AND METHODOLOGY

4.1. Basis of Valuation

In valuing the Target Company, we have prepared our Valuation on the basis of “market value” as defined in International Valuation Standards 2025, i.e. *the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion*”.

4.2. Valuation Standards

Our Valuation has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

4.3. Sources of Information

The primary sources of information that we have relied on in the preparation of this report, include:

- Consolidated audited financial statements for FY22A – FY24A of the Target Group;
- Audited financial statements of 1Q25A of the Target Group;
- Financial projections from April 2025 – FY31P (i.e. the Forecast Period) of the Target Group as prepared by the Target Management;
- Discussions with Management and the Target Management regarding the background and other relevant information of the Target Group; and
- S&P Capital IQ and other public available sources of market data.

We have not attempted to verify any of the information provided to us or contained in this report. We also have no reasons to believe that any material fact has been withheld from us. Moreover, we do not warrant our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

We hereby reserve our rights to revise this Valuation Report, if required and appropriate, should there be any updated information or otherwise made available to us that we consider to be relevant to the Valuation.

4.4. Limiting Conditions and Assumptions

Our Valuation has been primarily based on the financial information of the Target Group and other information provided by Management and a number of limiting conditions and assumptions, as set out in section 8.1. Limiting Conditions and 8.2. Assumptions. In the event any of the information, figures or accounts we have relied upon have been misstated or actual events do not accord with one or more of the assumptions, the resulting valuation of the Target Group may vary substantially from the figures as set out in this report.

You are recommended not to rely on the Valuation unless you have read carefully and fully understood the limiting conditions and assumptions.

4.5. Valuation Approach

4.5.1. Generally Accepted Approaches

We have considered three generally accepted approaches, including the Income Approach, the Market Approach and the Cost Approach in the Valuation:

- **Income Approach:** The Income Approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions and proceeds from its disposition.
- **Market Approach:** The Market Approach is a valuation technique based on the principle of substitution. For the valuation of a company, public companies in the same general industry as the subject company are selected to provide valuation guidelines, i.e. valuation multiples for such guideline companies then are determined and analysed. On the other hand, valuation multiples implied from merger and acquisition transactions of private companies may also be considered.
- **Cost Approach:** The Cost Approach, also known as the Asset-based Approach, provides an indication of value based on the principle that the assets and liabilities as a whole represent the value of a company. The assumption is that when each of the elements of working capital, tangible and intangible assets, is individually valued, their sum represents the value of a company and equals the value of its invested capital.

Please note that these three valuation approaches are fundamentally different and may generate substantially different valuation results.

4.5.2. *Selected Approach*

Among the abovementioned valuation approaches, the selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The Cost Approach was not adopted in valuing the Target Company as it does not consider the future economic benefits generated from the operation of the Target Group's business. The Cost Approach is inadequate in reflecting the value of its equity interests deriving from its ongoing business and any potential growing prospect.

The Market Approach was not adopted as it may not adequately capture the specific characteristics and value drivers of the Target Group's business. Different companies have different stages of development and strategic planning in terms of technological innovation, market expansion and customer resources, resulting in significant differences in their future earnings expectations and risk levels. In the course of the Valuation, neither any publicly available transaction of enterprises that were comparable in terms of the uniqueness of the Target Group's business model and its stage of development of AI Businesses observed, nor any closely comparable publicly traded entity with business development and operating characteristics similar to those of the Target Group suitable for the market approach could be identified as at the Valuation Date.

As a result of the above, the Income Approach was adopted in valuing the Target Company based on historical financial and operating data, forecasts of future financial projections with relatively clear cost components and matching relationship with its business revenues. It is agreed that the Target Company's market value can be better estimated based on forecasts of fundamental conditions in the future using the discounted cash flow analysis under the income approach, and the reliance on the discounted cash flow analysis to derive the market value of the Target Company in the Valuation are in the interests of the shareholders and the stakeholders as a whole.

4.5.3. *Valuation Methodology*

Under the Income Approach, the Discounted Cash Flow ("DCF") method is adopted.

The DCF method begins with an estimation of the annual cash flows, which a market participant would expect the asset to generate over a discrete projection period.

The expected FCFE for each year is determined as follows:

$$FCFE = NI + NCE - NCI - Inv_{FA} - Inv_{NWC} + Net\ Borrowing$$

Where:

FCFE = free cash flow to equity

NI = net income after tax

NCE = non-cash expenses

NCI = non-cash incomes

Inv_{FA} = investment in capital expenditure

Inv_{NWC} = investment in net working capital

The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows.

The present values of the estimated cash flows are then added to the present value equivalent of the residual value of the asset (if any) at the end of the discrete projection period to arrive at an estimate of the value of the specific asset. The present value of the expected free cash flow is calculated as:

$$PVFCFE = \frac{FCFE}{(1+r)^1} + \frac{FCFE}{(1+r)^2} + \dots + \frac{FCFE}{(1+r)^n}$$

Where:

PVFCFE = present value of free cash flows to equity

FCFE = free cash flow to equity

r = discount rate

n = number of year of the projection

4.5.4. Guideline Companies

In applying the DCF method, the estimated FCFE for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows, or the discount rate.

The appropriate discount rate for the Target Group was determined with reference to the business nature and financial information of publicly listed companies that are considered to be comparable to the Target Group (“Guideline Companies”).

In short, we follow the below principles when searching for Guideline Companies of the Target Group:

- The Guideline Companies engage in the computing centre construction and operation per our understanding based on their company descriptions provided by S&P Capital IQ. Such business activities are the principal or one of the principal business activities of these companies;
- The principal business of Guideline Companies is domiciled in the PRC or Hong Kong;
- The Guideline Companies are listed in Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) or Hong Kong Exchanges and Clearing Limited (HKEX); and
- The Guideline Companies’ shares were actively traded in the market and have sufficient relevant financial information which are publicly available.

Details of the exhaustive list of Guideline Companies based on the above criteria are summarized in section 8.3. Guideline Companies.

4.5.5. Discount Rate

In order to estimate the market value of the Target Group and perform an overall reasonability assessment, it is required to determine the appropriate discount rate for the Target Group. We have adopted the cost of equity as the discount rate applicable to the FCFE.

The cost of equity was determined using the Capital Asset Pricing Model (“CAPM”). CAPM calculates a required return based on risk measurement. It describes the relationship between the risk of a particular asset, its market price and the expected return to the investor, that investors required additional return to compensate for additional risks associated.

In the valuation, CAPM was modified to reflect the size premium and company-specific risk premium associated with the Target Group. The cost of equity under the modified CAPM was computed using the formula below:

$$R_e = R_f + \beta \times MRP + RP_s + RP_u$$

Where:

R_e = cost of equity

R_f = risk-free rate

β = beta coefficient

MRP = market risk premium

RP_s = size premium

RP_u = company-specific risk premium

The beta coefficient (β) measures the risk of an asset relative to the overall market and reflects the sensitivity of an asset's value to economic variables or risks that affect the values of all risky assets.

In the Valuation, the beta coefficient of the Target Group was determined based on the median of the unlevered adjusted betas of the Guideline Companies, with adjustment for corporate tax rates and leverage compositions.

The adjusted betas of the Guideline Companies were derived from the corresponding raw betas, modified by the assumption that a security's beta moves toward the market average over time with the following generally accepted formula:

$$Adjusted\ Beta = \frac{1}{3} + \frac{2}{3} \times Raw\ Beta$$

The unlevered beta was calculated to consider the differences in corporate tax rates and leverage compositions of the Target and the Guideline Companies by using the following formula:

$$Unlevered\ Beta = \frac{Levered\ Beta}{[1 + (1 - T_c)] \times \frac{D}{E}}$$

Where:

E = value of the firm's equity

D = value of the firm's debt

T_c = corporate tax rate

The unlevered betas were calculated according to the share price movement of the Guideline Companies and reflected the average risks associated with the Guideline Companies' business and their risk-free cash. Therefore, the betas of the Guideline Companies' business were calculated based on the unlevered betas with cash adjustments in the formula as below:

$$\text{Business Beta} = \frac{\text{Unlevered Beta}}{\left(1 - \frac{\text{Cash}}{E + D}\right)}$$

Where:

E = value of the firm's equity

D = value of the firm's debt

Cash = cash and cash equivalents of the firm

4.5.6. *Parameters of Discount Rate*

The main components adopted in the calculation of cost of equity are elaborated as follows:

Parameters	Figure	Source
Risk-free rate	1.86%	The 10-year PRC Government bond yield as at the Valuation Date extracted from S&P Capital IQ.
Market risk premium (U.S)	6.84%	The expected equity risk premium, 5.0%, of the U.S. in “Kroll Lowers its Recommended U.S. Equity Risk Premium to 5.0%” issued by Kroll in June 2024. It was then adjusted by additional PRC country risk premium of 1.84%, based on average result of Relative Equity Market Approach comparing market returns between the PRC and the U.S., i.e. 2.73% and Country Bond Approach with reference to the research issued in January 2025 by Dr. Aswath Damodaran, a Professor of Finance at Stern School of Business at New York University, i.e. 0.94%.
Weight of debt	18.94%	The median of the weight of debt in the capital structure of the Guideline Companies.
Weight of equity	81.06%	One minus the weight of debt.
Relevered Beta	1.405	Derived by re-levering the median of the 3-year daily unlevered beta of the Guideline Companies after cash adjustment.
Size premium	4.47%	Reference to 2024 CRSP Deciles Size Study issued by Kroll, which reflects the additional required return attributed to the smaller size of the company that is not captured by the CAPM.

Company Specific Risk Premium	2.00%	Based on our judgement on our perceived additional risk associated with the operation of the Target Group, including the limited operation history in AI business which started since the second half of 2024 and the uncertainty of renewal contracts after current contracts expired in 3–5 years.
Cost of Equity (rounded)	18.00%	The cost of equity was calculated based on the CAPM method and parameters discussed above.

Source: Moore's analysis, market data

4.5.7. Terminal Value

Under the DCF method, a 7-year forecast period is adopted. Given that the current sales contracts signed by the Target Group are for durations of 3-5 years, as contract terms over 5 years would be impractical under normal business negotiation, the Target Management expected that it will take additional time to reflect on the renewal process and achieve a stable development stage. Consequently, the Cash Flow Projection covers a 7-year financial projection is adopted. For the forecast period over 5 years, as a fact that there is not any signed contract covering, the Cash Flow Projection is provided by the Management after comprehensive analysis and consideration of various factors, including the existing sales contract, market research on operation parameters such as utilization rate, industry development and the business plan, together of which forming the projection basis.

In the Valuation, we have adopted the Gordon Growth Model approach in determining the terminal value for the expected economic values of the Target Group beyond the Forecast Period with a terminal growth rate of 2%, with reference to the long-term inflation rate of the PRC sourced from IMF.

4.5.8. DL0M

The discount for lack of marketability is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell.

DL0M reflects that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

$$\text{Value of Non-Marketable Interest} = \text{Value of Marketable Interest} \times (1 - \text{DL0M})$$

According to the Stout Restricted Stock Study published by Business Valuation Resources, LLC in early 2025, DL0M is estimated as the percentage difference between the private placement price per share and the market trading price per share. 779 relevant private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through the first quarter of 2024 have been examined in the Stout Restricted Stock Study. Premium in the market for restricted stock, which is considered as the result of an investment opportunity not available to other investors or an unidentifiable relationship with the seller has been excluded. We adopted the median discount rate of 15.60% calculated from the 779 transactions from the Stout Restricted Stock Study as DL0M for the valuation.

5. CASH FLOW PROJECTION

Target Management have provided the Cash Flow Projection based on their understanding of the expected operations of the Target Group. The major projection assumptions are listed below:

In RMB'000	Mar-Dec						
	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P	FY31P
Revenue	1,737,419	4,276,352	4,209,016	3,530,255	2,905,018	3,031,490	3,153,171
COGS	1,429,490	3,371,814	3,295,311	2,826,030	2,371,028	2,047,197	1,729,747
VAT and other tax	(157,666)	(19,909)	(978)	15,572	15,488	(45,035)	(7,186)
Gross Profit	465,596	924,447	914,683	688,653	518,502	1,029,328	1,430,610
SG&A	221,849	340,521	368,175	374,919	375,601	404,734	569,260
Finance Cost	43,195	64,524	53,347	43,221	18,375	9,013	8,440
Pre-Tax Profit	200,552	519,402	493,161	270,513	124,526	615,581	852,910
Corporate Tax	30,083	77,910	73,974	40,577	18,679	92,337	127,937
Net Profit	170,469	441,492	419,187	229,936	105,847	523,244	724,974
Add: D&A	161,817	254,746	277,170	283,963	284,152	248,674	343,872
Less: CAPEX	1,300,388	264,738	112,922	932	1,061	825,720	777,613
Less: ΔNWC	166,915	(108,118)	274,350	(60,764)	(53,511)	55,854	54,376
FCF	(1,135,017)	539,618	309,084	573,731	442,450	(109,657)	236,857
Net Borrowings	1,272,351	(526,211)	(341,829)	(339,702)	(236,031)	(89,397)	(41,064)
FCFE	137,334	13,407	(32,745)	234,028	206,418	(199,054)	195,793

Source: Target Management, Moore's analysis

5.1. Revenue and Cost of Goods Sold

The total revenue of the Target Group was principally generated from (i) AI computing power technical services for training; (ii) AI computing power technical services for inference; (iii) the construction and development of the AIDC; and (iv) the operation of the AIDC.

The Target Group is operating two AIDCs, located in Longgang District of Shenzhen and Tonghu District of Huizhou. The Longgang AIDC currently has over 700 racks that are already under lease, which are primarily occupied by computing power for inference. Target Management estimated that there would be an additional of over 250 racks available for lease in the future. The Tonghu AIDC has two towers, which are currently under construction, and will mainly provide computing power for training upon completion. The construction of two towers are expected to be completed before July 2025 and before January 2026. The total capacity of Tonghu AIDC is over 4,000 cabinets.

Except for being equipped with graphics processing units (GPUs), Central Processing Unit (CPU) to handle AI training and inference tasks, the Target Group's AIDC can also support large-scale data storage and processing, features high-speed network infrastructure, utilizes advanced cooling and power systems, ensures data security and regulatory compliance.

According to the Target Management, the provision of AI computing power technical services are operating under three different modes: the direct investment mode, the operating lease mode, and the financing lease mode.

Under the direct investment mode, the Target Group purchases and holds the necessary servers and supporting facilities. After professional technical deployment and network configuration, it leases the AI computing power directly to end customers for service fees. In this model, the Target Group requires managing capital expenditures including maintenance and upgrade costs. Under the operating lease mode, the Target Group leases the necessary servers and supporting facilities from upstream suppliers and then subleases them to its customers for service fees, during this process, professional technical deployment and network configuration will also be implied when necessary. Under the financing lease mode, the Target Group leases the necessary servers and supporting facilities from upstream suppliers during the contract period and repurchases them at the end of the term at a residual value specified in the contract. Upon the end of the lease term, the Target Group takes ownership of these machines and equipment. Upon that, the business mode will switch from lease mode to direct investment mode, and overall direct investment mode will be the majority business mode of the Target Group.

According to the Target Management, the Target Group has entered into long-term AI computing power services contracts and AIDC operation services contracts with certain customers including big model companies, cloud vendors, telecommunication operators and other customers with an aggregate contract amount of over RMB10B under normal performance and will generate stable revenue stream.

In FY25P, as the Tonghu AIDC are under construction, only half of the capacity is forecasted to be occupied, while the rest of capacity would be ready for lease in FY26P. Thus, the sales are projected to increase during FY26P. After FY26P, around 90% of the revenue are forecasted from the AI computing power technical services for training and around 5% are projected from AI computing power technical services for inference. After FY30P, most of the existing contracts matured, a long-term inflation rate of 2% for the PRC and the utilization rate of 65% have been adopted in the forecast.

The gross profits of the Target Group during the Forecast Period are between 18%–34% before FY30P, and increased to 45% in FY31P due to the expectation, as mentioned above, that the business operation will switch from lease mode to direct investment mode, and overall direct investment mode will be the majority business mode of the Target Group. As a result, more portion of revenue will be generated from direct investment mode, which will generate higher gross margin.

5.2. Selling, General & Administrative Expenses

Selling, General & Administrative Expenses (SG&A) include all the expected expenses to support the operation of the Target Group which mainly consists of marketing expenses, management expenses, depreciation and staff-related expenses.

Overall, total SG&A is assumed to be from 8% to 18% of revenue during the Forecast Period. The increase of the SG&A as proportion of revenue is mainly due to the increase of marketing expense for pitching for new customers after the existing contracts ended and the related expense in relation to the upgrade and maintenance capital expenditure on servers and other supporting facilities.

5.3. CAPEX and Depreciation

The major type of fixed assets on the management account of Target Group as of the 31 March 2025 is the computing cluster devices for the operation of AIDC.

The major capital expenditure, mainly sourced from internal resources, will be spending for the purchase or upgrade of server devices and other supporting facilities. After the expiry of the current lease agreements after 3–5 years, some of the servers will be re-purchased at a deep discounted price, while update of

those servers will involve material capital expenditure due to rapid advances in technology and AI. The annual capital expenditure is projected with reference to the original investment cost and depreciation as well as the expected replenishment plan. The cash flow generated from the business will be used, as well as refinancing if necessary.

Depreciation is projected using the straight-line method with five or eight years of useful life for different fixed assets assumed by Target Management.

5.4. Corporate Income Tax Rate

As the Target Group's revenue is expected to be generated in the PRC which is subjected to the PRC statutory tax rates. The Target Group is classified as High and New Technology Enterprise (HNTE), and therefore enjoys a preferential corporate income tax rate of 15%, as appose to the 25% statutory corporate income tax rate. In the Valuation, Target Management assumed a 15% corporate income tax rate during the Forecast Period. Beyond the Forecast Period, the statutory tax rate of 25% was adopted.

5.5. Working Capital

The estimated working capital has been made with reference to Target Management's best understanding of the business and the historical turnover days of the Guideline Companies. The detailed assumptions are listed below:

- 60 days' sales outstanding;
- 0 days' inventory outstanding; and
- 90 days' payable outstanding.

Apart from the abovementioned, the other required working capital consists of prepayments, salary payables and tax payables. The net amount of the other required working capital is assumed 16% of the COGS based on Target Management's best understanding and the latest historical rate of the Target Group since its commencement of AI Businesses in the second half of 2024.

5.6. Financing Plan

To meet the significant capital expenditure requirements for the operation of the AI Business, the Target Group planned to raise financing of RMB1,559M during the Forecast Period. As a fact for reference, approximately 75% of the above financing plan has been signed and started to disburse as at the date of this report, and the remaining is under active communication with banks, demonstrating its strong financing capacity in capital market.

6. OPINION OF VALUE

Based on our analysis above, our opinion on the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI), i.e. the Target Company, as at 31 March 2025, i.e. the Valuation Date, was reasonably stated as HKD978,000,000 (**HONG KONG DOLLARS NINE HUNDRED AND SEVENTY-EIGHT MILLION ONLY**).

REMARKS

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it will appear.

Finally, and in accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of its contents.

We hereby certify that we neither have any present nor any prospective interest in the Company, the Target Group and its subsidiaries and associated companies, or the value reported herein.

The exchange rate of 1.0836 (HKD/RMB) as of the Valuation Date adopted in our Valuation was sourced from the State Administration of Foreign Exchange of the PRC.

Yours faithfully,
For and on behalf of
Moore Transaction Services Limited
Kenneth Ma
Managing Director
CFA, MRICS, Registered RICS Valuer

Note: Mr. Kenneth Ma is a Registered Valuer member of the Royal Institute of Chartered Surveyors who has over 5 years' experience in valuations of real estate properties and over 10 years' experience in business valuations in Hong Kong and PRC.

7. GLOSSARY OF TERMS

Term	Meaning
1QXXA	Audited financial statements for the quarter-ended 31 March 20XX
1QXXU	Unaudited financial statements for the quarter-ended 31 March 20XX
AI	Artificial intelligence
AI Businesses	Refers to the principally engaged businesses of the Target Group, being (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of AIDC; (iii) the operation of AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for its customers
AIDC	Artificial intelligence data centre
B, bil	Billion
BVI	The British Virgin Islands
CAGR	Compound annual growth rate
Cash Flow Projection	Cash flow projection of the Valuation from April 2025 to FY31P prepared by Management/Target Management. For details, please refer to section 5. Cash Flow Projection
Company, you, yours	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company listed on the Main Board of the Hong Kong Exchange with stock code: 1396.HK
DLOM	Discounts for lack of marketability
EFLOPS	Refer to tens of billions of floating-point operations per second
Forecast Period	April 2025 – FY31P
FYXXA	Audited financial statements for the year-ended 31 December 20XX

Term	Meaning
FYXXP	Projected financial statements for the year-ended 31 December 20XX
FYXXU	Unaudited financial statements for the year-ended 31 December 20XX
GDP	Gross Domestic Product
Guideline Companies	Publicly listed companies that are considered by us to be comparable to the Target Group for valuation purposes. For details, please refer to section 8.3. Guideline Companies
HKD	Hong Kong Dollar, the official currency of Hong Kong
IMF	International Monetary Fund
K, '000	Thousand
LTM	Latest twelve month
M, mil	Million
Management	Management of the Company and/or their representatives
Moore, we, our, us	Moore Transaction Services Limited
PRC	People's Republic of China
PRC Project Company	Shenzhen Tiandun Data Technology Company Limited* (深圳天頓數據科技有限公司), a limited liability company established under the laws of the PRC, whose equity interest is indirectly and wholly-owned by the PRC Project Parent
PRC Project Group	the PRC Project Parent and its subsidiaries
PRC Project Intermediary	Shenzhen Tianwu Holdings Limited* (深圳天悟控股有限公司), a limited liability company established under the laws of the PRC, whose equity interest is directly and wholly-owned by the PRC Project Parent

* For translation reference only

Term	Meaning
PRC Project Parent	Beijing Tianqidun Data Technology Company Limited* (北京天奇頓數據科技有限公司), a limited liability company established under the laws of the PRC
Registered Shareholders	The registered shareholders of the PRC Project Parent
RMB	Renminbi, the official currency of the PRC
S&P Capital IQ	A financial data platform that provides detailed research and analysis of the stock market
T	Trillion
Target Company	Wisdom Knight Holdings Limited, a private company incorporated in the BVI with limited liability, together with its subsidiaries and/or associates
Target Group	Target Company and its subsidiaries and/or associates
Target Management	Management of the Target Group and/or their representatives
Target Parent	Champion Road Group Limited (BVI), the parent company of the Target Group
Target WFOE	Shenzhen Shisong Holdings Limited* (深圳士頌控股有限公司), a wholly foreign-owned enterprise established under the laws of the PRC with limited liability, which (through the Target Company's wholly-owned subsidiary established in Hong Kong) is indirectly and wholly-owned by the Target Company
Valuation	A high-level and desktop-based valuation of the market value of 100% equity interest of the Target Company as at the Valuation Date as presented in this Valuation Report

* For translation reference only

Term	Meaning
Valuation Date/Valuation Reference Date	31 March 2025
Valuation Report	This valuation report
VIE Arrangement	the variable interest entity arrangement between the PRC Project Company held by the PRC Project Intermediary and the Target WFOE

8. APPENDICES

8.1. Limiting Conditions

The limiting conditions pertaining to the valuation conclusions stated in this Valuation Report are summarized below:

- All data and statements of facts set forth in this report, upon which the data, opinions, analysis, estimates and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this Valuation Report or utilized in the formation of the value conclusions were obtained from sources considered reliable and believed to be true and correct.

We have also considered published market data and other public information, where appropriate. Such information was obtained from public available sources such as publicly available industry reports and websites.

However, we did not independently verify the abovementioned information and no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and we reserve the right to alter the Valuation, if any inaccurate information may have been provided to us.

- We have relied on information and estimates provided by Target Management to a considerable extent in arriving at our opinion of value. This includes but not limited to the business affairs as well as the outlook for the business.

We have not conducted any further investigations concerning whether all data have been provided to us for our assessment and we have no reason to believe that any material data have been withheld from us.

With respect to cash flow projections regarding the Target Company provided to us, it has been represented by the Target Management and was assumed for the purposes of this opinion that such analyses and forecasts were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments of the Target Management as to the expected future results of operations and financial conditions of the Target Company to which such analyses or forecasts relate. We can give no assurances, however, that such financial analyses and forecasts can be realized or that actual results will not vary materially from those projected.

The procedures and enquiries undertaken by us in preparing this report do not include any verification work of the information provided by Management, the Target Group and their associates, nor do they constitute an examination made in accordance with generally accepted auditing standards. As such, we do not express an opinion or offer any forms of assurance regarding the accuracy, reasonableness, completeness or reliability of these information we are based.

- The Valuation was prepared solely for the purpose, function and party identified in this report. This report may not be reproduced, in whole or in part, and the findings of this Valuation Report may not be utilized by any third party for any purpose, with our express written consent. We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown.

Neither all nor any part of the contents of this Valuation Report shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings, without the prior written consent and approval of and review by us.

- Good and marketable title to the business interests and assets being appraised is assumed. We are not qualified to render an “opinion of title,” and no responsibility is assumed or accepted for matters of a legal nature affecting the business being appraised. We render no opinion as to ownership of the business or condition of its title.
- The Valuation reflects facts, conditions and expectations existing at the Valuation Date. We take no responsibilities for any events, conditions or circumstances affecting our opinion of value that take place subsequent to the Valuation Date.

- The results of our work are dependent on the information of the Target Group. However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibilities for the achievement of predicted results.
- The Valuation is heavily dependent on the terminal value. In the event actual events do not accord with one or more of the assumptions and the forecasting cash flow, the results of the Valuation may vary substantially from the figures as set out in the Valuation Report.
- Our conclusion of the value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.
- For the information provided and the consolidation adjustments performed by Management, we did not perform any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work. Such areas are not included in our scope of work, and should be carried out by the relevant experts to be appointed by the Company, if necessary.
- By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Hence, there is no single indisputable range and generally we cannot provide absolute assurance on a valuation.
- The title of this report shall not pass to the Company until all professional fees have been paid in full.

8.2. Assumptions

In conducting our valuation work, the following assumptions have been adopted in order to sufficiently support our conclusion of value, including:

- The businesses of the Target Group are operated by various subsidiaries and/or related companies of the Company. The Valuation has been performed based on the audited financial statements, assuming there is a single fictitious entity running the relevant businesses and possessing the relevant assets and liabilities.
- The principal businesses of the Target Group will not change significantly in the foreseeable future.

- There will be no major change in the political, legal, fiscal, technological, economic and market conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of Target Group.
- There will be no major change in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with.
- There will be no material change in the relevant market return, market risk, interest rates and exchange rates that would impact the Target Group's business operation.
- The market data, industrial information and statistical figures obtained from publicly available sources are true and accurate.
- The Target Group has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits in the localities in which the Target Group operates or intends to operate, including but not limited to the business licences and such consent and approval necessary for the VIE Arrangement, would be officially obtained and renewable upon expiry.
- Exchange rates and interest rates will not differ materially from those presently prevailing.
- The availability of finance at viable cost will not be a constraint on the forecasted growth of operations of the Target Group. In other words, it is assumed that obtaining necessary financing is readily available at a reasonable cost, and therefore, it will not be a limiting factor for the Target Group to execute its business plan. Based on the Management's representation, as at the Valuation Reference Date, RMB1,559 million debts at reasonable interest costs have either secured or nearly closing.
- The Target Group will successfully maintain its competitiveness and market share through optimizing the utilization of its resources and expanding its marketing network.
- The Target Group can keep abreast of the latest development of the industry, such as trend of automation to reduce operating costs, such that its competitiveness and profitability can be sustained.

- The Target Group will utilise and maintain its current operational, administrative and technical facilities to expand and increase its sales.
- The Target Group will be able to secure funds to repay/renew its debts timely when they fall due.
- The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operations.
- The Target Group will continue to operate as a going concern and the core operation of the Target Group will not differ materially from those of present or expected.
- The forecasting cash flow represents Target Management's view of the range of economic conditions. The information and estimates provided and the representations made by Target Management regarding the Target Group's financial and business affairs are reliable and without false representation.
- The Target Group has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time.
- Management has sufficient knowledge and experience in respect of the operation of the Target Group, and the turnover of any director, management or key person will not affect the operation of the Target Group.
- Management of the Target Group has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Group.
- Management of the Target Group has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Group.
- The intellectual property of the Target Group will not be infringed upon in a manner which would materially affect the economic benefits attributable to the Target Group.

- The Valuation is heavily dependent on the financial information of the Target Group provided by Management to us. In any occasions that the values were misstated, the adjustments on the income statements and/or balance sheets were unfairly and/or unreasonable performed by Management and/or its auditor or any off balance sheet assets or liabilities items of the Target Group were neglected, the value stated here may vary materially from what stated in this report.
- We assume you will appoint relevant experts to perform appropriate legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work, which is outside our scope of work.

8.3. Guideline Companies

Guideline Companies	Company Description
SZSE:300442	Range Intelligent Computing Technology Group Company Limited provides server hosting services to internet companies and large cloud vendors in the PRC. It also engages in the provision of operation, maintenance, security management and other value-added services, as well as intelligent computing services for terminal large-model customers.
SZSE:300383	Beijing Sinnet Technology Company Limited, together with its subsidiaries, provides internet data centre (IDC), cloud computing, and internet access services in the PRC and Hong Kong.
SZSE:300738	Guangdong Aoifei Data Technology Company Limited provides internet cloud computing and big data basic services in China. It offers server hosting and Border Gateway Protocol (BGP) interconnection services. It also provides solutions for finance, internet, and gaming businesses.
SHSE:603881	Shanghai @hub Company Limited provides internet infrastructure services in the PRC and internationally. It offers data centre services, including data centre distribution, planning, design, construction, and operation and maintenance.

Guideline Companies	Company Description
SEHK:9698	GDS Holdings Limited, together with its subsidiaries, develops and operates data centres in the PRC. It offers colocation services comprising critical facilities space, customer-available power, racks, and cooling; managed hosting services; managed cloud services; and consulting services.
SEHK:3896	Kingsoft Cloud Holdings Limited provides cloud services to businesses and organizations primarily in the PRC. It's product portfolio includes cloud products and operates data centres. It offers research and development services, as well as enterprise digital solutions and related services.