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Infinites Technology International (Cayman) Holding Limited
多牛科技國際（開曼）集團有限公司

(formerly known as Jiu Zun Digital Interactive Entertainment Group Holdings Limited

九尊數字互娛集團控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1961)

CONTINUING CONNECTED TRANSACTIONS
GAMING PRODUCTS SUPPLY AGREEMENT
ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER



GAMING PRODUCTS SUPPLY AGREEMENT

The Board is pleased to announce that on 1 August 2022, Emperor entered into the Gaming Products Supply Agreement with Chengdu Bashi, pursuant to which the Group would supply the Products to Chengdu Bashi.

The proposed annual cap in respect of the transactions contemplated under the Gaming Products Supply Agreement for each of the five months ending 31 December 2022 and the years ending 31 December 2023 and 2024 is RMB45 million, RMB100 million and RMB140 million, respectively (equivalent to HK\$52.65 million, HK\$117 million and HK\$163.80 million, respectively).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Infinites Global held approximately 51.37% of the issued Shares. Infinites Global was held as to approximately 53.74% by Infinites Worldwide Limited which was in turn wholly owned by Infinites B&M, and Infinites B&M was wholly owned by Infinites Cayman. Chengdu Bashi was indirectly controlled by Infinites B&M via contractual arrangements, and the financial results of Chengdu Bashi were consolidated into the financial statements of Infinites B&M. Therefore, Chengdu Bashi is a connected person of the Company under the Listing Rules. Thus, the transactions contemplated under the Gaming Products Supply Agreement would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios of the transactions contemplated under the Gaming Products Supply Agreement are more than 25% and the annual caps in respect of the transactions contemplated under the Gaming Products Supply Agreement are expected to be higher than HK\$10 million, such transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As such, the Company will seek the Independent Shareholders' approval for the transactions contemplated under the Gaming Products Supply Agreement and the proposed annual caps for the five months ending 31 December 2022 and the years ending 31 December 2023 and 2024 at the EGM.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Leung Ming Shu, Mr. Choi Onward and Mr. Tang Shun Lam, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps. The Independent Board Committee has approved the appointment of the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps.

GENERAL

The EGM will be convened to consider and, if thought fit, to approve, among other matters, (i) the Gaming Products Supply Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps in respect of the transactions contemplated under the Gaming Products Supply Agreement. A circular including, among other things, (i) a letter from the Board containing further details of the Gaming Products Supply Agreement; (ii) a letter from the Independent Board Committee, setting out its recommendations in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps, to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice, in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps, to the Independent Board Committee and the Independent Shareholders; and (iv) notice of the EGM, will be despatched to the Shareholders on or before 22 August 2022.

INTRODUCTION

The Board is pleased to announce that on 1 August 2022, Emperor entered into the Gaming Products Supply Agreement with Chengdu Bashi, pursuant to which the Group would supply the Products to Chengdu Bashi.

THE GAMING PRODUCTS SUPPLY AGREEMENT

The principal terms of the Gaming Products Supply Agreement are set out as follows:

Date

1 August 2022

Parties

- (i) Emperor; and
- (ii) Chengdu Bashi.

Supply of the Products

Pursuant to the Gaming Products Supply Agreement, the Group agrees to supply the Products to Chengdu Bashi during the term of the Gaming Products Supply Agreement, provided that (i) the member of the Group is awarded with the relevant contract in accordance with the stipulated procedures under the relevant PRC laws and regulations (if required); and (ii) the parties thereto negotiate at arm's length regarding the commercial terms to be set out in the individual agreements for the Products. The Group and Chengdu Bashi will enter into individual agreements from time to time for the supply of the Products.

Pricing basis and settlement method

Pursuant to the Gaming Products Supply Agreement, the price of the transactions contemplated thereunder will be determined with reference to the principles below:

- (1) the price and terms of the individual agreements to be entered into will be negotiated by the parties at arm's length and will be determined by the parties from time to time on normal commercial terms in the ordinary course of business;
- (2) the price and terms in the individual agreements shall not be less favourable than those entered into by the Group and the Independent Third Party(ies) in relation to the supply of identical and/or similar products by the Group; and
- (3) the price and terms in the individual agreements shall not be more favourable than those entered into by Chengdu Bashi and the Independent Third Party(ies) in relation to the procurement of identical and/or similar products by Chengdu Bashi.

The price shall be paid by Chengdu Bashi to the Group upon completion of the supply of Products according to the settlement cycle as agreed under the individual agreements entered into in accordance with the Gaming Products Supply Agreement.

Term

The Gaming Products Supply Agreement is effective upon fulfilment of the following conditions precedent:

- (i) the Company issuing a circular and obtaining the approval from the Independent Shareholders in relation to the transactions contemplated under the Gaming Products Supply Agreement in accordance with the Listing Rules; and
- (ii) the approval from the board of directors of Chengdu Bashi in relation to the transactions contemplated under the Gaming Products Supply Agreement.

Subject to the fulfilment of the above conditions precedent, the Gaming Products Supply Agreement shall be effective between 1 August 2022 and 31 December 2024.

THE PROPOSED ANNUAL CAPS

The proposed annual cap in respect of the transactions contemplated under the Gaming Products Supply Agreement for each of the five months ending 31 December 2022 and the years ending 31 December 2023 and 2024 is RMB45 million, RMB100 million and RMB140 million, respectively (equivalent to HK\$52.65 million, HK\$117 million and HK\$163.80 million, respectively).

There were no historical transaction amounts in respect of the supply of the Products by the Group to Chengdu Bashi.

Basis of the proposed annual caps

The proposed annual caps for the Gaming Products Supply Agreement for the period from 1 August 2022 to 31 December 2024 are determined with reference to (i) the prevailing overall business scale and operational scale of the Group; (ii) the anticipated development and growth of the Group in the sale of game consoles and console games by the Group; (iii) the estimated purchase amount of Chengdu Bashi for the Products; (iv) the estimated growth of the game consoles and console games market in the PRC; and (v) the estimated prices for procurement of the Products under the Gaming Products Supply Agreement for the period from 1 August 2022 to 31 December 2024.

INFORMATION OF THE PARTIES

Emperor and the Group

Emperor is an investment holding company which is wholly owned by the Company. The Group is principally engaged in the development and operation of mobile game as well as digital media content distribution.

Chengdu Bashi

Chengdu Bashi is principally engaged in the sale of electronic gaming products, including gaming consoles and console games as well as their merchandise and accessories. Chengdu Bashi is indirectly controlled by Infinities B&M via contractual arrangements, which is part of the Infinities Technology Group. Headquartered in Beijing, the major business segments of the Infinities Technology Group include the sale of console game hardware and related products, media operations (including campus social media platform (Renren.com (人人網))), online advertising business (廣告流量業務), and online gaming business.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The transactions contemplated under the Gaming Products Supply Agreement will be conducted in the ordinary and usual course of business of the Group.

The Group is principally engaged in mobile game development and operation and digital media content distribution in PRC with a diversified content portfolio, comprising mobile games, e-magazines and other digital media content. The Group had, from time to time, provided tailor-made advertising and media content distribution services based on the needs of its corporate customers. Leveraging on the Group's experience in the game and entertainment sector, and its knowledge in consumer and individual players' appetite, the Company believes that the supply of Products will enable the Group to capture value in the entertainment and game supply chain business thereby generating income for the Group's business.

By bridging the gap between downstream consumers and the upstream supply chain business, the Company believes that it will be able to continue to build its corporate customer portfolio and business network through the cooperation with Chengdu Bashi, which is controlled by Infinities B&M, a controlling shareholder of the Company, thereby encourages the future growth of the Group's businesses in a diversified manner. The Group considers that the Infinities Cayman group is a reliable business cooperation partner and such cooperation may in turn benefit and support its mobile game development and operation business and digital media content distribution business.

Taking into account the above factors, the Directors (except the independent non-executive Directors whose view will be formed after obtaining the advice of the Independent Financial Adviser) consider that:

- (i) the terms and conditions of the Gaming Products Supply Agreement were negotiated among the parties on an arm's length basis and are normal commercial terms that are fair and reasonable;
- (ii) the proposed annual caps in respect of the transactions contemplated under the Gaming Products Supply Agreement for the five months ending 31 December 2022 and the years ending 31 December 2023 and 2024 are fair and reasonable; and
- (iii) the transactions contemplated under the Gaming Products Supply Agreement are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Infinities Global held approximately 51.37% of the issued Shares. Infinities Global was held as to approximately 53.74% by Infinities Worldwide Limited which was in turn wholly owned by Infinities B&M, and Infinities B&M was wholly owned by Infinities Cayman. Chengdu Bashi was indirectly controlled by Infinities B&M via contractual arrangements, and the financial results of Chengdu Bashi were consolidated into the financial statements of Infinities B&M. Therefore, Chengdu Bashi is a connected person of the Company under the Listing Rules. Thus, the transactions contemplated under the Gaming Products Supply Agreement would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios of the transactions contemplated under the Gaming Products Supply Agreement are more than 25% and the annual caps in respect of the transactions contemplated under the Gaming Products Supply Agreement are expected to be higher than HK\$10 million, such transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As such, the Company will seek the Independent Shareholders' approval for the transactions contemplated under the Gaming Products Supply Agreement and the proposed annual caps for the five months ending 31 December 2022 and the years ending 31 December 2023 and 2024 at the EGM.

As Mr. Wang Le, an executive Director, is also a director of Infinities B&M and Infinities Cayman, he is deemed to be materially interested in the Gaming Products Supply Agreement by virtue of his directorship in Infinities B&M, therefore, he has abstained from voting on the relevant resolutions at the Board meeting approving the Gaming Products Supply Agreement.

INTERNAL CONTROL PROCEDURES

The Company has adopted the following internal control measures to ensure that the transactions contemplated under the Gaming Products Supply Agreement are and will be conducted in accordance with its pricing policies and terms, and in compliance with the relevant Listing Rules:

- (i) the finance department of the Company shall obtain and monitor the quotations and/or pricing records as reference prices of the transactions under the Gaming Products Supply Agreement to ensure that the prices of the Products to be supplied by the Group to Chengdu Bashi are not less favourable than the prices at which the same or comparable types of products are supplied by the Group to Independent Third Parties;
- (ii) the finance department of the Company shall monitor and ensure that the transactions contemplated under the Gaming Products Supply Agreement are and will be conducted in accordance with its terms and the relevant annual caps are not exceeded;
- (iii) the Board will continue to periodically review the Company's internal control systems and their effectiveness; and

- (iv) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the continuing connected transactions under the Gaming Products Supply Agreement and the relevant annual caps in accordance with the requirements of the Listing Rules.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Leung Ming Shu, Mr. Choi Onward and Mr. Tang Shun Lam, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps. The Independent Board Committee has approved the appointment of the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps.

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The EGM will be convened to consider and, if thought fit, to approve, among other matters, (i) the Gaming Products Supply Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps in respect of the transactions contemplated under the Gaming Products Supply Agreement. A circular including, among other things, (i) a letter from the Board containing further details of the Gaming Products Supply Agreement; (ii) a letter from the Independent Board Committee, setting out its recommendations in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps, to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice, in connection with the transactions contemplated under the Gaming Products Supply Agreement and the related proposed annual caps, to the Independent Board Committee and the Independent Shareholders; and (iv) notice of the EGM, will be despatched to the Shareholders on or before 22 August 2022.

DEFINITIONS

In this announcement, the following expressions shall have the following respective meanings:

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| “associate(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Board” | the board of Directors |
| “BVI” | the British Virgin Islands |
| “Chengdu Bashi” | Chengdu Dianwan Bashi Commerce Company Limited* (成都電頑巴士商貿有限公司), a company established in the PRC with limited liability, being indirectly controlled by Infinities B&M via contractual arrangements and the financial results of Chengdu Bashi are consolidated into the financial statements of Infinities B&M |

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| “Company” | Infinites Technology International (Cayman) Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| “connected person” | has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly |
| “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, to approve, among other matters, (i) the Gaming Products Supply Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps in respect of the transactions contemplated under the Gaming Products Supply Agreement |
| “Emperor” | Emperor Interactive Entertainment Development Company Limited (九尊互娛發展有限公司), a company incorporated in the BVI with limited liability and is wholly owned by the Company |
| “Gaming Products Supply Agreement” | the framework agreement dated 1 August 2022 and entered into between Emperor and Chengdu Bashi in relation to the supply of Products by Emperor to Chengdu Bashi |
| “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 |
| “Independent Board Committee” | the independent committee of the Board, comprising the independent non-executive Directors, namely Mr. Leung Ming Shu, Mr. Choi Onward and Mr. Tang Shun Lam, established for the purpose of advising the Independent Shareholders on the Gaming Products Supply Agreement and the transactions contemplated thereunder |
| “Independent Financial Adviser” | Maxa Capital Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Gaming Products Supply Agreement and the transactions contemplated thereunder |

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| “Independent Shareholders” | those Shareholders other than Infinities Global and its associates |
| “Independent Third Party(ies)” | person(s) who or company(ies) which is/are third party(ies) independent of the Company and its connected person |
| “Infinities B&M” | Infinities B&M Technology Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of Infinities Cayman as at the date of this announcement |
| “Infinities Cayman” | Infinities Technology (Cayman) Holding Limited, a company incorporated in the Cayman Islands with limited liability and was held as to approximately 24.76% by its largest shareholder (i.e. Zhouqinhantang Technology Management Ltd.) and approximately 75.24% by 37 minority shareholders as at the date of this announcement. Zhouqinhantang Technology Management Ltd. is a company incorporated in the BVI and was indirectly controlled by Mr. Wang Le (who is an executive Director) as to 50% and Ms. An Fenghua as to 50% |
| “Infinities Global” | Infinities Global Technology Limited Partnership, a limited company formed in the BVI with limited liability and is owned as to approximately 53.74% by Infinities Worldwide as at the date of this announcement, which is its sole general partner. Infinities Global held approximately 51.37% of the issued Shares as at the date of this announcement |
| “Infinities Worldwide” | Infinities Worldwide Technology Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of Infinities B&M as at the date of this announcement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Products” | means gaming consoles, console games, their merchandise and accessories |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By Order of the Board
Infinites Technology International (Cayman) Holding Limited
多牛科技國際（開曼）集團有限公司
WANG Le
Chairman

Hong Kong, 1 August 2022

For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.17.

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wang Le and Mr. Chen Ying, two non-executive Directors namely Mr. Liang Junhua and Mr. Wang Ning and three independent non-executive Directors namely Mr. Leung Ming Shu, Mr. Choi Onward and Mr. Tang Shun Lam.

* *For identification purposes only*