

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



B.Duck Semk Holdings International Limited

小黃鴨德盈控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2250)

**VOLUNTARY ANNOUNCEMENT -
MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE POSSIBLE INVESTMENT**

This announcement is made by the Company on a voluntary basis in order to keep its shareholders and potential investors updated with the latest business development of the Group.

On 28 July 2023 (after trading hours), the Company entered into the Memorandum with PIF, pursuant to which the Company intends to collaborate with Public Investment Fund (PIF) of Saudi Arabia Asia Division in form of investment and project and brand development.

PRINCIPAL TERMS OF THE MEMORANDUM

Date: 28 July 2023 (after trading hours)

Parties: (i) the Company; and

(ii) Public Investment Fund (PIF)

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

Subject matter

Pursuant to the Memorandum, PIF intends to invest in the Company in the following aspects:

- (i) to provide financing to the Company by way of convertible securities with a period of 5 years (the “**Financing**”);

- (ii) to invest in the Company's expansion in overseas entertainment and tourism projects, including the joint development of B.Duck entertainment parks and hotel (the "**B.Duck Entertainment and Tourism Projects**"); and
- (iii) to serve as the brand agents of B.Duck IPs in the Middle East region.

Investment

The total investment amount pursuant to the Memorandum is estimated to be US\$250 million (equivalent to approximately HK\$1.96 billion), comprising US\$50 million and US\$200 million for the Financing and the B.Duck Entertainment and Tourism Projects, respectively. The investment amount is expected to be wholly funded by PIF.

Definitive Agreement

Pursuant to the Memorandum, the parties thereto intended to, within three months from the date of Memorandum or such other extended period as mutually agreed by the parties, further negotiate the subsequent performance of the respective obligations under the Memorandum and to enter into the Definitive Agreement(s).

Non-legally binding effect of the Memorandum

The Memorandum is non-legally binding save for the provisions in relation to termination, confidentiality, notices and governing law and jurisdiction provisions.

INFORMATION ON PIF

PIF is the sovereign wealth fund of the Kingdom of Saudi Arabia and one of the largest and most impactful sovereign wealth funds in the world, driving the economic transformation of Saudi Arabia for the benefit of its people while helping shape the future global economy. PIF is building a world-class portfolio through investments in attractive, long-term opportunities across diverse industries and asset classes internationally.

REASONS FOR ENTERING INTO THE MEMORANDUM

The Group is principally engaged in character licensing business and e-commerce business of characters-featured products in Asia. The Board believes that the entering into of the Memorandum is beneficial for the Group to tap into the market in Middle East region and crucial for the Group's expansion projects in the overseas entertainment and tourism sector with the investment contributed by and cooperation with PIF. With the financial support of PIF, the Group will undertake strategic initiatives such as mergers and acquisitions, investments in the IP industry chain, and integration of retail channels.

The Board is of the view that the entering into of the Memorandum is in the interests of the Company and its shareholders as a whole.

GENERAL

The Memorandum merely provides a strategic cooperation framework between the Company and PIF. The terms of cooperation contemplated under the Memorandum are subject to the terms of any Definitive Agreements. If any transaction contemplated under the Memorandum constitutes a notifiable transaction for the Company under the Listing Rules, further announcement(s) will be made by the Company as and when appropriate. If the Financing will proceed by way of subscription of convertible securities by PIF, the Company will be seeking a specific mandate from its shareholders to issue such convertible securities.

DEFINITION

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

“Board”	the board of Directors
“Company”	B.Duck Semk Holdings International Limited, an exempted company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Definitive Agreement(s)”	the definitive agreements which may or may not be entered into by the Company and PIF in relation to, among other things, the transactions contemplated under the Memorandum
“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 People’s Republic of China
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, who are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the non-legally binding memorandum of understanding entered into between the Company and PIF dated 28 July 2023 (after trading hours) in relation to the proposed investment
“PIF”	the Public Investment Fund, a government fund established under the laws of Saudi Arabia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this announcement, amounts in US\$ are translated into HK\$ on the basis of US\$1 = HK\$7.81. The conversion rate is for illustration purpose only and should not be taken as a representation that US\$ could actually be converted into HK\$ at such rate or at all.

By order of the Board
B.Duck Semk Holdings International Limited
Hui Ha Lam
Chairman of the Board and Executive Director

Hong Kong, 3 August 2023

As at the date of this announcement, the Board comprises Mr. Hui Ha Lam as chairman of the Board and executive Director, Mr. Kwok Chun Kit, Mr. Cheung Chin Yiu, and Mr. Tse Tsz Leong as executive Directors, Mr. Li Xiang as non-executive Director and Ms. Leung Ping Fun Anita, Mr. Sung Chi Keung and Dr. Chan Kai Yue Jason, MH, JP as independent non-executive Directors.