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## **Infinites Technology International (Cayman) Holding Limited**

**多牛科技國際(開曼)集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1961)**

### **FURTHER ANNOUNCEMENT IN RELATION TO THE ACQUISITION OF THE TARGET GROUP HOLDING 60% OF BEIJING WANDE INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

#### **INTRODUCTION**

Reference is made to the announcement of Infinites Technology International (Cayman) Holding Limited (the “**Company**”) dated 8 September 2023 (the “**Announcement**”) in relation to, among others, the acquisition of the target group holding 60% of Beijing Wande (the “**Target Group**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Consideration was determined based on arm’s length negotiations between the Vendor and the Purchaser and with reference to, among others, 60% of the preliminary valuation of the Beijing Wande in the amount of approximately HK\$138,030,000 as at 30 June 2023. According to the valuation report dated 29 September 2023 (the “**Valuation Report**”) issued by Vincorn Consulting and Appraisal Limited (the “**Valuer**”), the Valuer determined 100% equity interest of Beijing Wande by adopting the income approach as approximately HK\$227,910,000 (equivalent to approximately RMB213,000,000) (the “**Valuation**”). Accordingly, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. This announcement is therefore subject to the requirements under Rules 14.60A and 14.62 of the Listing Rules in relation to profit forecast.

#### **ASSUMPTIONS OF THE VALUATION UNDER INCOME APPROACH**

Pursuant to Rule 14.62(1) of the Listing Rules, the principal and commercial assumptions, upon which the Valuation is based under income approach, are as follows:

- (i) the corporation between Beijing Wande and the well-known American video game studio is sustainable and there will be continuous corporation and development on game products by way of the renewal of the product development agreement or any other form of contracts, agreements or consensus;

- (ii) the turnover days and percentage ratio of working capital items of Beijing Wande over the projection period are derived based on the average of the actual ratio and percentage of Beijing Wande for the financial year ended 31 December 2022 and for the 6-month period ended 30 June 2023;
- (iii) Beijing Wande is and will be legal fully complied with all relevant laws and regulations;
- (iv) Beijing Wande will operate on a going-concern basis;
- (v) the inflation rate, exchange rate and interest rates will have no material change from the rates prevailing as at the date of the Valuation Report;
- (vi) there will be no material change in the existing political, taxation, legal, technological, fiscal or economic conditions, which might adversely affect the business of Beijing Wande;
- (vii) the conditions in which Beijing Wande is operated, and which are material to revenue and costs of the businesses of the Beijing Wande will have no material change;
- (viii) the information has been prepared on a reasonable basis after due and careful consideration by Beijing Wande;
- (ix) the competent management, key personnel and technical staff will be maintained to support the ongoing operation and development of Beijing Wande;
- (x) the accounting policies adopted by Beijing Wande after the date of the Valuation Report and the accounting policies used in the preparation of the valuation report are consistent in all material aspects;
- (xi) all licenses and permits that is essential for the operation of the Beijing Wande (if any) can be obtained and are renewable upon expiry;
- (xii) there are no hidden or unexpected conditions associated with the businesses valued that might adversely affect the reported value, and no responsibility for changes in market conditions after the date of the Valuation Report; and
- (xiii) there are no other force majeure factors and unforeseeable factors to lead to a significant adverse impact on the Beijing Wande.

## **CONFIRMATIONS**

D & Partners CPA Limited has been engaged by the Company to review on the arithmetical accuracy of the calculations of the discounted cash flow forecast, which does not involve the adoption of accounting policies, as adopted in the preparation of the Valuation Report issued by the Valuer.

The Directors have discussed with the Valuer the different aspects upon which the Valuation was prepared (including the principal and commercial assumptions) and have reviewed the Valuation for which the Valuer is responsible. The Directors have confirmed that the Valuation has been made after due and careful enquiry by them.

A report from D & Partners CPA Limited dated 29 September 2023 in compliance with Rule 14.62(2) of the Listing Rules and a letter from Silverbricks Securities Company Limited dated 29 September 2023 in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

## **EXPERTS AND CONSENTS**

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

<b>Name</b>	<b>Qualification</b>
Silverbricks Securities Company Limited	Financial Adviser
Vincorn Consulting and Appraisal Limited	Independent valuer
D & Partners CPA Limited	Certified Public Accountants

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of the Valuer and D & Partners CPA Limited is a third party independent of the Group and its connected persons. As at the date of this announcement, each of the Valuer and D & Partners CPA Limited does not have any shareholding 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.

Each of the Valuer and D & Partners CPA Limited has given and has not withdrawn its written consent to the issue of this announcement with inclusion of its name, statements and all references to its name (including its qualification) in the form and context in which they are included.

For and on behalf of the Board  
**Infinites Technology International (Cayman) Holding Limited**  
**WANG Le**  
*Chairman*

Hong Kong, 29 September 2023

*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 two independent non-executive Directors namely Mr. Leung Ming Shu and Mr. Tang Shun Lam.*

## **APPENDIX I — LETTER FROM D & PARTNERS CPA LIMITED RELATING TO THE PROFIT FORECAST**

*The following is the text of a report received from D & Partners CPA Limited, for the purpose of incorporation in this announcement.*

29 September 2023

The Board of Directors  
Infinites Technology International (Cayman) Holding Limited (the “**Company**”)

Dear Sirs,

### **REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN RELATION TO 100% EQUITY INTEREST OF BEIJING WANDE GAME TECHNOLOGY COMPANY LIMITED (HEREINAFTER REFERRED TO AS “BEIJING WANDE”)**

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated 29 September 2023 prepared by Vincorn Consulting and Appraisal Limited in respect of the equity interest of Beijing Wandé as at 30 June 2023 is based. The valuation is set out in the announcement of the Company in relation to the acquisition of 60% equity interest in Beijing Wandé dated 8 September 2023 (the “**Announcement**”). The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### **Directors’ responsibilities**

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out in ASSUMPTIONS OF THE VALUATION UNDER INCOME APPROACH of the Announcement.

#### **Our Independence and Quality Management**

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

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' responsibilities**

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of Beijing Wande. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under Rule 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

## **Opinion**

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

**D & PARTNERS CPA LIMITED**

*Certified Public Accountants*

Hong Kong

## **APPENDIX II — LETTER FROM SILVERBRICKS SECURITIES COMPANY LIMITED IN RELATION TO THE PROFIT FORECAST**

*The following is the text of a letter from Silverbricks Securities Company Limited for the purpose of incorporation in this announcement.*

29 September 2023

The Board of Directors  
Infinites Technology International (Cayman) Holding Limited (the “**Company**”)

Dear Sirs,

Re: Discloseable and Connected Transaction

in Relation to the Acquisition of the Target Group Holding 60% of Beijing Wande Involving the Issue of Consideration Shares Under Specific Mandate

We, Silverbricks Securities Company Limited, refer to the announcement of the Company dated 8 September 2023 (the “**Announcement**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

The Announcement refers to the valuation of the Target Company by Vincorn Consulting and Appraisal Limited (the “**Valuer**”) which is contained in the valuation report dated 29 September 2023 (the “**Valuation Report**”) prepared by the Valuer for the purpose of the Transaction. We understand that the Valuation Report and certain other documents relevant to the Transaction have been provided to you as directors of the Company (the “**Directors**”) in connection with your consideration of the Transaction. We understand that the Valuer has applied the income approach (which is based on the discounted cash flow forecast) is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

We have reviewed the profit forecast included in the Valuation Report. We have attended discussions with the Directors, the management of the Company and the Valuer regarding the bases and assumptions upon which the profit forecast in the Valuation Report has been made. In these discussions, the participants also discussed the historical performance and other information considered relevant by the Valuer and the Company to the profit forecast. We have also reviewed the letter from D & Partners CPA Limited, dated 29 September 2023, as set forth in Appendix I to the Announcement regarding the calculations of discounted future cash flows.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions selected by the Valuer, for which the Valuer and the Company are responsible, we are satisfied that the profit forecast disclosed in the Announcement, have been made after due and careful enquiry by you. The Directors are responsible for such profit forecast, including the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation Report. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation Report and

applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

The work undertaken by us has been undertaken for the purpose of reporting solely to you under Rule 14.62(3) of the Listing Rules and for no other purpose. We have not independently verified the assumptions or computations leading to the valuation of discounted cash flow forecast. We have had no role or involvement and have not provided and will not provide any assessment of the value on the discounted cash flow forecast to the Company. We have assumed that all information, materials and representations provided to us by the Company and the Valuer, including all information, materials, and representations referred to or contained in the Announcement, were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether express or implied, is made by us on the accuracy, truth or completeness of such information, materials or representations. Accordingly, we accept no responsibility, whether expressly or implicitly, on the valuation of discounted cash flow forecast as set out in the Valuation Report.

Yours faithfully,  
For and on behalf of the Board  
**Silverbricks Securities Company Limited**  
**Yau Tung Shing**  
*Co-head of Corporate Finance*