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**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)**

**(1) TERMINATION OF SUBSCRIPTION AGREEMENT; AND  
(2) AMENDMENTS TO AND ADDITIONAL INFORMATION OF THE  
CONTRACTUAL ARRANGEMENTS**

Reference is made to the announcement (the “**Announcement**”) of the Company dated 26 April 2024 in relation to, among other things, the Subscription and the Contractual Arrangements. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Announcement.

**I. TERMINATION OF SUBSCRIPTION AGREEMENT**

After further negotiation and discussion between the Company and Dream Studio, in considering the change of the fund use plan of Dream Studio and the macroeconomic environment, Dream Studio has decided not to proceed with the Subscription. On 22 July 2024 (after trading hours), the Company and Dream Studio entered into a deed of termination and release, pursuant to which the parties have mutually agreed (i) to terminate the Subscription Agreement with immediate effect; (ii) to release each other from all obligations and liabilities under or arising from the Subscription Agreement; and (iii) none of the parties shall have any claim against the other in respect of the Subscription Agreement thereafter.

Following the termination of Subscription Agreement, the completion of the Subscription and the transactions pursuant to the Contractual Arrangements shall not be inter-conditional upon each other. The establishment of the Contractual Arrangements shall proceed accordingly subject to the terms and conditions therein. For details, please refer to the paragraphs headed “**II. AMENDMENTS TO THE CONTRACTUAL ARRANGEMENTS**”.

## II. AMENDMENTS TO THE CONTRACTUAL ARRANGEMENTS

Following the termination of Subscription Agreement and subsequent to the publication of the Announcement, the Board wishes to inform the Shareholders and potential investors of the Company in relation to the amendment to the Loan Agreement.

### **The Loan Agreement**

As disclosed in the Announcement, the WFOE, the OPCO and the Registered Owner will enter into the Loan Agreement pursuant to which the WFOE shall provide a loan, at nil interest rate, in an aggregate amount of RMB20.0 million to the OPCO for capital injection in Dequ Technology. Considering the financial need of Dequ Technology, the Loan Agreement will be amended such that the WFOE shall provide a loan, at nil interest rate, in an aggregate amount of **RMB5.1 million** to the OPCO to **pay up the registered capital** of Dequ Technology.

Save for the above, there are no changes to the Structured Contracts.

## III. ADDITIONAL INFORMATION OF THE CONTRACTUAL ARRANGEMENTS

The Board also wishes to provide the Shareholders and potential investors of the Company with additional information of the Contractual Arrangements, in particular, Quanzhou Dequ (as defined below), which is owned as to 51% by Dequ Technology and 49% by Fujian Lisen Yingke Trading Co., Ltd.\* (福建利森盈科貿易有限公司), is included as part of the OPCO Group.

### **Information about the WFOE, the OPCO, the Registered Owner, Dequ Technology and Quanzhou Dequ**

#### ***The WFOE***

The WFOE is a company established under the laws of the PRC with limited liability which will enjoy the entire economic interests and benefits of the OPCO through the Structured Contracts. As at the date of this announcement, it is indirectly wholly-owned by the Company. The WFOE, alongside its consolidated subsidiaries, is engaged in development, publishing and operation of online game business.

### ***The OPCO***

The OPCO was established under the laws of the PRC with limited liability on 24 August 2023. As at the date of this announcement, the OPCO is wholly-owned by the Registered Owner, Mr. Wu Shuhong. Mr. Wu Shuhong is the sole director of the OPCO with 20 years of experience in financial management and corporate governance.

The OPCO is an investment holding company and is the majority shareholder of Dequ Technology, which is principally engaged in the Prohibited Businesses, including development, publication and operation of online game business, such as mobile online game and WeChat mini program games, which also engages in (i) proprietary research and customization of thematic IP games; (ii) game licensing; (iii) private domain camps; and (iv) online and offline retail of designer toys primarily to game players. Quanzhou Dequ, which is owned as to 51% by Dequ Technology and 49% by Fujian Lisen Yingke Trading Co., Ltd.\* (福建利森盈科貿易有限公司), intends to engage in the development and operation of gaming live streaming and e-commerce live streaming. The OPCO Group does not have any interest in other entities as subsidiaries or associates, save for Dequ Technology and Quanzhou Dequ and the Company undertakes that the OPCO Group will not establish other subsidiaries that engage in the non-Prohibited Businesses.

### ***The Registered Owner***

The Registered Owner of the OPCO is Mr. Wu Shuhong, a PRC national. Mr. Wu Shuhong is the cousin of Mr. Hui, who is the executive Director, chairman of the Board, chief executive officer and one of the controlling shareholders of the Company. Mr. Wu Shuhong is therefore a deemed connected person of the Company.

## ***Dequ Technology***

Dequ Technology was established under the laws of the PRC with limited liability on 16 February 2023. Dequ Technology is owned as to 51% by the OPCO and 49% by Dream Studio. The board of directors of Dequ Technology comprises three executive directors namely Mr. Wu Shuhong, Mr. Wu Mingliao (吳明聊) and Mr. Lyu Xingyuan (呂行遠), and is chaired by Mr. Wu Shuhong. Mr. Wu Mingliao has 16 years of experience in online game development and publishing, and is currently the vice president of the Company. Mr. Lyu Xingyuan has 9 years of experience in investment management and finance, and is currently the chief investment officer of the Company. The senior management of Dequ Technology comprises Mr. Hou Yong (侯勇) as the general manager, Ms. Tan Huanhuan (譚歡歡) as the deputy general manager and two financial officers appointed by the Company and Dream Studio, a substantial shareholder of Dequ Technology. Mr. Hou Yong has over 15 years of experience in the online game business and has participated in the development of multiple mobile games with major mobile game publishers in the PRC. Ms. Tan Huanhuan has over 16 years of experience in media management, brand management and public relations and has assumed multiple senior positions at Tencent Holdings Limited (Stock Code: 700).

## ***Quanzhou Dequ***

Quanzhou Dequ Technology Co., Ltd.\* (泉州德趣科技有限公司) (“**Quanzhou Dequ**”) was established under the laws of the PRC with limited liability on 2 April 2024. Quanzhou Dequ is owned as to 51% by Dequ Technology and 49% by Fujian Lisen Yingke Trading Co., Ltd.\* (福建利森盈科貿易有限公司), which is a wholly-owned subsidiary of Lixun Group Co., Ltd.\* (利訊集團有限公司) being a customer of the Company. Lixun Group Co., Ltd. is ultimately owned by Mr. Huang Lipeng (黃利鵬), Ms. Yuan Hongqing (袁紅青), Mr. Huang Huoming (黃火明), Ms. Huang Jiafen (黃佳芬) and Ms. Ye Qiaomei (葉巧梅). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, all of the ultimate beneficial owners of Lixun Group Co., Ltd. are Independent Third Parties.

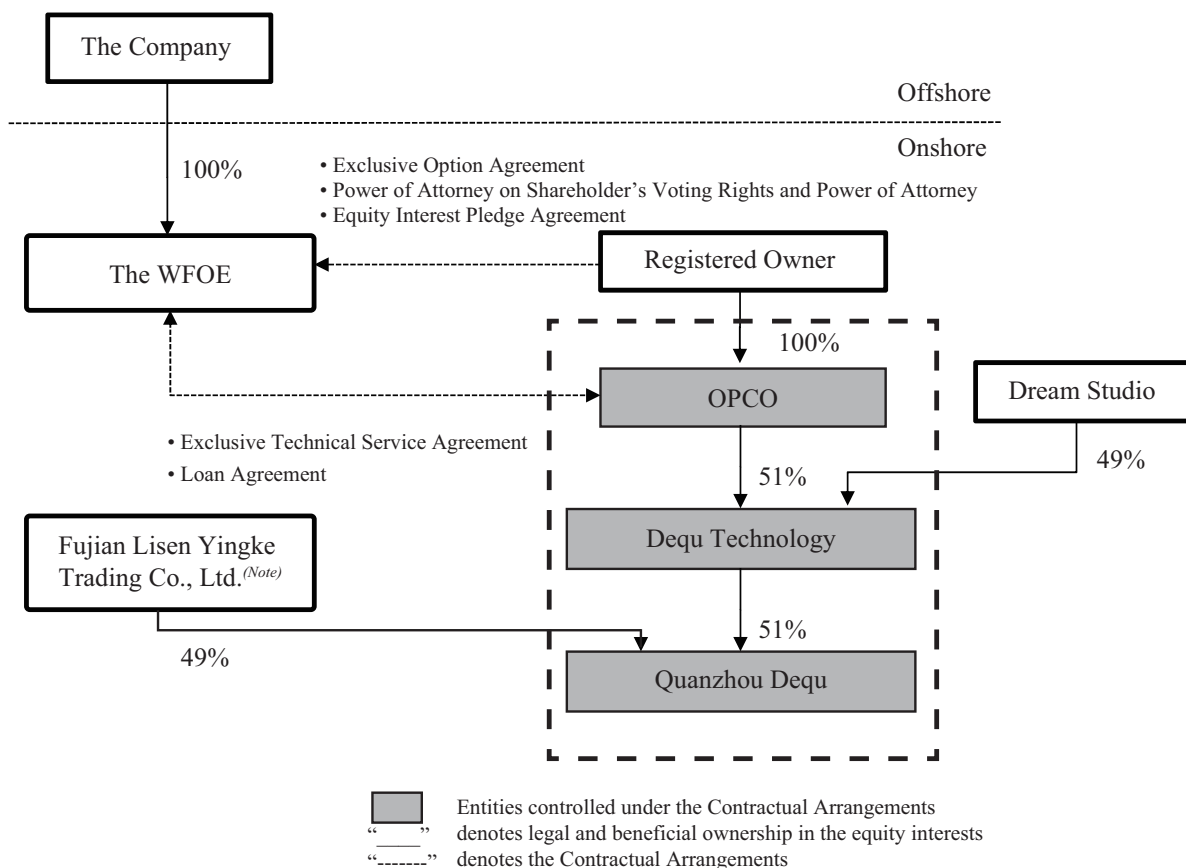
Mr. Wu Shuhong, appointed by the Company through Dequ Technology, is the sole director of Quanzhou Dequ. The senior management of Quanzhou Dequ comprises the general manager, Mr. Wu Shuhong and financial officer, Mr. Zhang Qingchuan (張慶川). Mr. Zhang Qingchuan has over 10 years of experience in financial management and is currently the financial manager of a subsidiary of Lixun Group Co., Ltd. The general manager of Quanzhou Dequ was appointed by the Company through Dequ Technology and the financial officer was appointed by Fujian Lisen Yingke Trading Co., Ltd. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Mr. Zhang Qingchuan is an Independent Third Party.

Quanzhou Dequ intends to engage in the development and operation of gaming live streaming and e-commerce live streaming, in order to further maximize the development of the commercial value of the Company's IPs. Quanzhou Dequ is expected to launch an online retail business on WeChat with the Company's IPs involved in 2024.

Save as disclosed above, the board of directors and management team of the OPCO, Dequ Technology and Quanzhou Dequ have no other relationship with the Company.

### Shareholding Structure under the Contractual Arrangements

Set forth below is the updated simplified diagram illustrating the Contractual Arrangements:



*Note:* Fujian Lisen Yingke Trading Co., Ltd. is a wholly-owned subsidiary of Lixun Group Co., Ltd., being a customer of the Company. Lixun Group Co., Ltd. is ultimately owned by Mr. Huang Lipeng, Ms. Yuan Hongqing, Mr. Huang Huoming, Ms. Huang Jiafen and Ms. Ye Qiaomei.

As a result of the Contractual Arrangements, the Group will treat each of the OPCO, Dequ Technology and Quanzhou Dequ as controlled entity and consolidate the financial position and results of operations of the OPCO Group in the consolidated financial statements of the Group in accordance with Hong Kong Financial Reporting Standards.

#### **IV. APPLICATION FOR WAIVERS FROM STRICT COMPLIANCE WITH CHAPTER 14A OF THE LISTING RULES**

The Company is in the course of applying for a waiver (the “**Waiver**”) from strict compliance with (i) the requirement of setting an annual cap for the transactions under the Structured Contracts under Rule 14A.53 of the Listing Rules, and (ii) the requirement of fixing a definite term of the Structured Contracts under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange. Pursuant to the requirements under Rule 14A.52 of the Listing Rules, the Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Contractual Arrangements and the transactions contemplated thereunder. The Waiver is pending approval from the Stock Exchange.

#### **V. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Contractual Arrangements and the transactions contemplated thereunder. Lego has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

#### **VI. EGM**

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Contractual Arrangements and the transactions contemplated thereunder.

As of the date of this announcement, Mr. Hui was considered to have material interests in the Contractual Arrangements given his relationship with the Registered Owner. Mr. Hui and his associates will be required to abstain from voting on the relevant resolution approving the Contractual Arrangements and the transactions contemplated thereunder at the EGM. Mr. Hui had thus abstained from voting on the Board resolution(s) in respect of the Contractual Arrangements. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, there are no other Director who has any material interest in the above transaction.

Pursuant to Rule 17.05A of the Listing Rules, the trustee holding unvested shares of a share scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. The trustee under the share award scheme adopted by the Company on 5 September 2022 and amended on 8 September 2022 will be required to abstain from voting on the resolution at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders or any of their respective associates have any material interest in the above transactions and therefore no other Shareholder would be required to abstain from voting at the EGM for the relevant resolutions.

## **VII. DESPATCH OF CIRCULAR**

As disclosed in the announcement of the Company dated 28 June 2024, a circular (the "**Circular**") containing, among other things, (i) further information in relation to the Contractual Arrangements; (ii) the recommendation from the Independent Board Committee and the recommendation from Lego to the Independent Board Committee and the Independent Shareholders in relation to the Contractual Arrangements; (iii) the general information of the Group; and (iv) a notice of the EGM was expected to be despatched to the Shareholders on or before 15 August 2024.

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

Hong Kong, 22 July 2024

*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 and Mr. Cheung Chin Yiu 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.*