

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.



INTERNATIONAL GENIUS COMPANY

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

SUBSCRIPTION

On 12 December 2024, the Company (as issuer) entered into the Subscription Agreement with the Subscriber pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for a maximum of 110,000,000 Subscription Shares at the Subscription Price of HK\$2.75 per Subscription Share.

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000,000 divided into 1,000,000,000,000 Shares, of which 558,245,104 Shares have been issued and are fully paid up.

The maximum number of 110,000,000 Subscription Shares represent (i) approximately 19.70% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Completion of the Subscription is conditional on certain conditions precedent as more particularly set out in the Subscription Agreement, including the granting of listing status of the Subscription Shares.

Assuming, the Subscription Shares are fully subscribed, the gross proceeds of the Subscription will be approximately HK\$302.50 million. The net proceeds (after deducting all applicable costs and expenses of the Subscription) of approximately HK\$302 million from the Subscription are intended to be used to support the Company's strategic development and to replenish general operational funds.

GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate granted to the Directors at the EGM and the issue of the Subscription Shares will not be subject to the approval by the Shareholders.

Application will be made to the Stock Exchange for the listing of, and permission to deal, in the Subscription Shares.

WARNING

Given that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Further, there is no assurance that all the Subscription Shares may be fully subscribed, and hence the final number of Subscription Shares to be issued may be less than the maximum number available.

The Board is pleased to announce that, on 12 December 2024 (after trading hours), the Company (as issuer) entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for a maximum of 110,000,000 Subscription Shares at the Subscription Price of HK\$2.75 per Subscription Share.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber and its beneficial owner are independent third parties of the Company and are not connected persons, as defined in the Listing Rules, of the Company.

Assuming the Subscription Shares are fully subscribed and upon the allotment and issue of the Subscription Shares to the Subscriber, the Subscriber will become a Substantial Shareholder, holding approximately 16.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and thus a Connected Person.

THE SUBSCRIPTION

Pursuant to the Subscription Agreement, the Subscriber conditionally agreed to subscribe for a maximum 110,000,000 Subscription Shares at the Subscription Price of HK\$2.75 per Subscription Share.

SUBSCRIPTION SHARES

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000,000 divided into 1,000,000,000,000 Shares, of which 558,245,104 Shares have been issued and are fully paid up. There are no outstanding options, warrants or other securities carrying subscription rights to subscribe for or conversion into Shares.

The maximum number of 110,000,000 Subscription Shares represent (i) approximately 19.70% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Rights of the Subscription Shares

The Subscription Shares will be credited as fully paid and rank pari passu with all other issued Shares in all respects as at the date of issue.

The Subscription Price

The Subscription Price is HK\$2.75 per Subscription Share, which represents:

- (i) same to the closing price of HK\$2.75 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 9.56% to the average of the closing prices of approximately HK\$2.51 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a premium of approximately 9.56% to the average of the closing prices of approximately HK\$2.51 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber and was determined with reference to, among others, (i) the recent market price of the Shares; (ii) the prevailing market conditions of the capital market in Hong Kong and the Hong Kong and global macro-economic data; and (iii) the latest business performance and financial position of the Group.

COMPLETION OF THE SUBSCRIPTION

The Subscription under the Subscription Agreement is conditional on the following:

- (i) the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange before completion (save for any temporary suspension in trading pending the release of an announcement in connection with the Subscription Agreement), the Stock Exchange or the Securities and Futures Commission not having expressed that it will raise any objection against the listing status of the Shares or require the trading of Shares to be suspended due to the transactions contemplated under the agreement or any reasons in connection with the transactions contemplated thereunder;
- (ii) the Stock Exchange has granted approval for the listing of the Subscription Shares, and such approval has not been revoked before completion; and
- (iii) the approval of the shareholders of the Company in relation to the subscription and the transactions contemplated thereunder having been obtained and such approval not having been revoked or expired before completion.

No parties shall have the right to waive the conditions, whether in part or in full.

If the conditions have not been fulfilled before 31 December 2024 (or such other date the Subscriber and the Company agree in writing), the Subscription Agreement will be automatically terminated and lapse, and the rights and obligations of the parties under the Subscription Agreement shall lapse and be of no further effect and in such an event the parties shall be released from such obligations without any liability save for any antecedent breach of the Subscription Agreement occurring before such date.

Termination

If any of the above conditions are not satisfied before 31 December 2024 (or such other date as may be agreed in writing between the Company and the Subscriber), or if the Company and the Subscriber agree in writing to terminate the Subscription Agreement, the rights and obligations of the parties under the Subscription Agreement shall lapse and be of no further effect and in such an event the parties shall be released from such obligations without any liability save for any antecedent breach of the Subscription Agreement occurring before such date.

NOMINATION OF DIRECTOR

Upon Completion, the Subscriber shall have a one-off right to nominate one candidate to be an executive Director/non-executive Director of the Company. The Subscriber shall lodge a notice of nomination to the principal place of business of the Company, stating the full name and providing the required identification documents, biographical details and supporting documents for verification as required by the Listing Rules.

The Nomination Committee shall convene a meeting within 10 Business Days to review the skill, knowledge and experience and assess his/her suitability for becoming a board members, in accordance with the policy of nomination of directors and board diversity of the Company. If appropriate, the Nomination Committee shall recommend him/her to the Board for consideration and approval.

The Remuneration Committee shall convene a meeting within 10 Business Days to review and recommend on the remuneration package for the candidate to the Board with reference to his/her duties, experiences, responsibilities and the Company's remuneration policy.

Subject to the recommendation of the Nomination Committee and Remuneration Committee, a board meeting shall be convened within 10 Business Days after the meeting of the Nomination Committee and Remuneration Committee to, if thought fit, approve the proposed appointment of director in accordance with the M&A and the Listing Rules. Upon approval of the appointment of director, the Company shall enter into a service agreement with the newly appointed director.

The newly appointed director shall be subject to retirement and be eligible for election at the next following annual general meeting of the Company in accordance with the M&A and the Listing Rules.

WARNING

Given that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Further, there is no assurance that all the Subscription Shares may be fully subscribed, and hence the final number of Subscription Shares to be issued may be less than the maximum number available.

COMPLETION

The completion of the Subscription shall take place on 3 Business Day upon satisfaction of the Conditions in full (or such other date as the parties may agree). The maximum number of Subscription Shares to be issued and allotted to the Subscriber would be 110,000,000 Shares, subject to the actual level of subscription by the Subscriber upon Completion.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the EGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 111,649,020 Shares, representing 20% of the then issued share capital of the Company as at the date of the EGM. Since the date of the EGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Subscription (assuming the Subscription Shares are fully subscribed and no other change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares), as follows:

	Immediately before the Subscription		Immediately after the Subscription	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Dr. Ng Yu (Dr. Ng)	244,800	0.04	244,800	0.04
Neo Tech Inc. (<i>Note</i>)	390,821,084	70.01	390,821,084	58.48
Subscriber	–	–	110,000,000	16.46
Other public Shareholders	<u>167,179,220</u>	<u>29.95</u>	<u>167,179,220</u>	<u>25.02</u>
Total	<u>558,245,104</u>	<u>100.00</u>	<u>668,245,104</u>	<u>100.00</u>

Note: Neo Tech Inc. is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Dr. Ng. Dr. Ng is therefore deemed to be interested in the Shares held by Neo Tech Inc. in accordance with the SFO.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 22 March 2024, the completion of the acquisition of the entire issued share capital of Deep Neural Computing Company Limited took place. Accordingly, 21,000,000 consideration shares have been allotted and issued to the vendor on 22 March 2024. For further details, please refer to the announcement of the Company dated 22 March 2024.

Save as the aforementioned, the Company did not conduct any equity fund raising activities during the twelve months immediately preceding the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

To address the increasingly complex international environment and fluctuations in the capital markets, our Group believes it is necessary to collaborate with Shareholders who can provide stable and long-term companionship as the Company grows. Through equity financing, we aim to supply the Company's operations with a more stable source of funding.

The Directors are of the view that the Subscription would raise additional funds for the business development of the Group, strengthen the Group's financial position, broaden the shareholder and capital base of the Company so as to facilitate its future development. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Subscription will be approximately HK\$302.50 million and the net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$302 million after deducting all relevant costs and expenses. The net price of each Subscription Share will be approximately HK\$2.75. The Company intends to apply the net proceeds from the Subscription as support the Company's strategic development and to replenish general operational funds.

INFORMATION ON THE COMPANY AND THE SUBSCRIBER

The Company is an investment holding company. The Group is involved in trading party products, provision of tech-driven investment management services, provision of advancing business and trading of commodities.

Subscriber is a company incorporated in Hong Kong. The ultimate beneficial owner is Ms. Han Jia, a merchant in the PRC.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong
“Company”	International Genius Company, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (Stock code: 33)
“Completion Date”	the 3 Business Day after fulfillment of the Conditions (or such other date as the Company and the Subscriber may agree)
“Conditions”	the conditions to the completion of the Subscription Agreement

“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company held on 21 June 2024
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the EGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the EGM
“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
“Listing Rules”	The Rules Governing the Listing of Securities on Stock Exchange
“M&A”	the memorandum and articles of association of the Company, as amended from time to time
“Nomination Committee”	the nomination committee of the Board of the Company
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Board of the Company
“SFO”	Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Daisy Holdings Company Limited, a company incorporated in Hong Kong
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 12 December 2024 and entered into between the Company (as issuer) and the Subscriber
“Subscription Price”	HK\$2.75 per Subscription Share
“Subscription Share(s)”	a maximum of 110,000,000 new Shares to be subscribed by the Subscribers pursuant to the Subscription Agreement
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By order of the board of directors
International Genius Company
Mr. Cheung Ka Fai
Company Secretary

Hong Kong, 12 December 2024

As at the date of this announcement, (i) the executive Director of the Company is Dr. He Xiaobin; (ii) the non-executive Director of the Company is Mr. Dai Chengyan; and (iii) the independent non-executive Directors of the Company are Ms. Fong Man Julisa, Mr. Lo Hang Fong, Mr. Wang Jun Sheng and Mr. Yip Tze Wai Albert.