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Dmall Inc.

多点数智有限公司

(incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2586)

COMPLETION OF PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of the Company dated July 16, 2025 (the "**Announcement**") in respect of the Placing and the Subscription. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the completion of the Placing took place on July 21, 2025 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 35,400,000 Placing Shares were successfully placed by the Managers, on a best effort basis, to not less than six placees, at the Placing Price of HK$11.1 for each Placing Share. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Placees and their ultimate beneficial owners are Independent Third Parties. None of the Placees became a Substantial Shareholder of the Company immediately after the completion of the Placing.

As all conditions for the completion of the Subscription had been fulfilled, the Company allotted and issued 35,400,000 Subscription Shares to the Seller at HK$11.1 per Subscription Share on July 25, 2025 in accordance with the terms and conditions of the Placing and Subscription Agreement. The net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by the Seller and the Company (including the Managers' commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by the Company, and other expenses (including the legal fees) incurred by the Company, in connection with the Placing and the Subscription) amount to approximately HK$388 million.

USE OF PROCEEDS

The Company's cash from its operating business will primarily be used to partially repay its outstanding loans due by June 30, 2026. The Company is actively exploring a potential new business in stablecoin and blockchain payments. The Company expects the capital requirement for the potential new business for the upcoming 12 months to be around HK$100 million. The Company intends to use the net proceeds of the Subscription as follows: (i) 50% of the net proceeds is allocated to the R&D investment in stablecoins and blockchain and technology advancement, all of which will be used in payment of staff cost of the Company's blockchain experts for developing and maintaining relevant systems and interfaces in relation to the development of the new business (including various systems in the areas of trading, reserve fund management, settlement, clearing, compliance and issuance), which is expected to be utilized by the end of 2026; and (ii) the other 50% of the net proceeds is allocated to general corporate purpose, of which 50% is allocated for loan repayments, 40% is allocated for further expansion of existing business and product upgrades, and 10% is allocated for other general expenditures, which is expected to be utilized by the end of 2026.

The Company's investment in stablecoins and blockchain and technology advancement is strategically aligned with its broader objective of participating in and contributing to the development of the Web3 ecosystem in Hong Kong. This initiative is in response to the Hong Kong Government's policy support for Web3 and digital asset innovation. The Company strives to enhance payment efficiency, reduce transaction costs for retail clients, support

the development of stablecoin-based payment solutions, and position the Company as a key player in the digital asset and Web3 infrastructure space. This new business use case is expected to serve the Company's potential retail clients who have cross-border procurement and local retail payment needs. It is closely related to its existing business operations and strategic direction, despite being a new initiative. The proposed investment in stablecoins and blockchain and technology advancement is a natural extension of core business. It can deepen the relationship with clients and the technology edge can also help attract new clients and add the bargaining power for cooperation, thus creating synergy between the new business and the existing business.

The primary source of revenue for this potential new business is investment income from the stablecoin. The Company expects to invest the fiat currency received in exchange for stablecoins issuance in low-risk assets permitted by law to gain the investment return. In particular, under the stablecoin regulatory framework in Hong Kong, the Company will exchange fiat currency for stablecoins at a 1:1 ratio, and then the Company expects to invest the received fiat currency collectively in low-risk assets to earn interest rate spreads, which is permissible under the regulatory framework in Hong Kong, and they will become the Company's investment income. In addition, it is anticipated to be generated through transaction fees, the provision of technical services, and potential licensing of blockchain-based payment infrastructure. For example, it takes processing time for traditional banks to process any cross-border settlement. The stablecoin and blockchain payment can provide the underlying channel for other financial institutions to effect real-time or rapid transfer of funds. The Company will charge a fee for every transaction settled through its payment system. Additionally, the Company is working on the possibility to offer premium services and other monetization strategies.

The infrastructure required for this business, such as customer resources in retail and supply chain scenarios, as well as capabilities in system development, blockchain technology, and other related areas within those use cases, will be developed in collaboration with several partners including but not limited to HashKey Group, leveraging their licensed exchange platform and technical capabilities. The Company collaborates with multinational retail clients and cross-border payment service providers to jointly apply for stablecoins license. The Dmall OS system connects multinational retail clients with various payment channels. The cross-border payment service providers offer payment infrastructure capabilities, while the multinational retail clients provide use case scenarios such as retail consumption and cross-border procurement and put the Company's potential new business in stablecoin and blockchain payments in use. The Company has already opened a trading account with HashKey Exchange and completed its first investment in Bitcoin through this platform. Furthermore, the Company has initiated preparations to apply for a stablecoin license under Hong Kong's new regulatory regime.

Although this represents the Company's first direct investment in cryptocurrencies, it has adopted a prudent, long-term investment strategy. The Company has established internal governance and investment policies tailored to digital assets and has engaged in strategic partnerships, such as with HashKey Group, to supplement its technical capabilities and expertise. For the business development in Web3, the Company respectfully submits that while no current Board member possesses direct experience in this emerging field, the Board may consider appointing Directors with relevant Web3 or cryptocurrencies expertise in the future, should the business is in operation demonstrating significant growth and potential. In addition, the Company has already equipped with high-caliber R&D talent pool and possesses veteran blockchain specialist as well as strong technological R&D capabilities. They all have hands-on experience with key projects such as public chain development, DeFi protocol design, and NFT platform architecture. It empowers the Company's continuous Web3 innovation with robust talent and technical capabilities. As the business is currently in the planning stage and has not yet commenced operations, pending the acquisition of a stablecoin licence in Hong Kong, the Company is currently working on establishing in the relevant internal controls and will develop and implement appropriate internal control policies to govern the new business in due course. These will be designed in alignment with Hong Kong's Stablecoins Ordinance and the payment regulatory requirements of the jurisdictions in which the Company operates, including but not limited to anti-money laundering, customer identity verification, and technical support for reserve transparency.

By Order of the Board
Dmall Inc.
Mr. Curtis Alan Ferguson
Chairman

Hong Kong, July 25, 2025

As at the date of this announcement, the Board comprises (i) Mr. ZHANG Feng as executive Director; (ii) Mr. Curtis Alan FERGUSON, Mr. CHEN Zhiyu and Mr. WANG Zhenghao as non-executive Directors; and (iii) Dr. HOU Yang, Ms. CAI Lin, Dr. MAO Jiye and Mr. LI Wei as independent non-executive Directors.