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Zibuyu Group Limited

子不语集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2420)

CHANGE OF USE OF PROCEEDS

References are made to (i) the prospectus issued by Zibuyu Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 October 2022 (the "**Prospectus**") in relation to, among others, the intended use of the proceeds from the initial public offering of the Company's shares ("**Net Proceeds**"), and (ii) the disclosures on the utilisation of the Net Proceeds in the subsequent annual and interim reports of the Company. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

The Board hereby announces that after careful consideration and detailed evaluation of the Group's operations and business strategies, the Board has resolved to change the use of the unutilised portion of the Net Proceeds in the manner as set out below.

CHANGE OF USE OF PROCEEDS

As at 31 July 2025, the Group has utilised the Net Proceeds totalling HK$216.4 million in strict accordance with the intended use and expected timetable disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, of which approximately HK$197.2 million has been put into use and the remaining unused Net Proceeds are approximately HK$19.2 million **("Unutilised Net Proceeds")**.

The Board has resolved to change the use of the Unutilised Net Proceeds as follows:

		Net Proceeds as disclosed in the Prospectus *HK$ million*	Utilised Net Proceeds as at 31 July 2025 *HK$ million*	Unutilised Net Proceeds as at 31 July 2025 *HK$ million*	Unutilised Net Proceeds after change of use *HK$ million*	Expected timetable for the utilisation of the Unutilised Net Proceeds
1.	To enhance our sales and branding capabilities, among which,	81.2	81.2	0.0	18.4	By the end of 2025
	1.1 to procure Amazon advertising solution	65.2	65.2	0.0	18.4	By the end of 2025
	1.2 to procure advertising services on other third-party e-commerce platforms	8.0	8.0	0.0	0.0	N/A
	1.3 to place advertisement on leading social media platforms and procure other marketing solutions	8.0	8.0	0.0	0.0	N/A
2.	To enhance our supply chain management system, among which,	61.9	43.5	18.4	0.0	N/A
	2.1 to establish our own smart logistics and warehousing system	47.2	41.2	6.0	0.0	N/A
	2.2 to upgrade our existing warehouses management	14.7	2.3	12.4	0.0	N/A
3.	For the establishment of large-scale independent self-operated online stores on our proprietary websites:	50.4	49.6	0.8	0.8	By the end of 2025
	3.1 to procure marketing solutions for large-scale independent self-operated online stores and place advertisement on leading social media platforms	48.9	48.9	0.0	0.0	N/A
	3.2 to procure servers and other relevant equipment to support the operation of the large-scale independent self-operated online stores	1.5	0.7	0.8	0.8	By the end of 2025

		Net Proceeds as disclosed in the Prospectus *HK$ million*	Utilised Net Proceeds as at 31 July 2025 *HK$ million*	Unutilised Net Proceeds as at 31 July 2025 *HK$ million*	Unutilised Net Proceeds after change of use *HK$ million*	Expected timetable for the utilisation of the Unutilised Net Proceeds
4.	To enhance our product research and development capabilities:	11.4	11.4	0.0	0.0	N/A
	4.1 to establish and upgrade our intelligent platforms	6.5	6.5	0.0	0.0	N/A
	4.2 to upgrade and establish research and development center	4.9	4.9	0.0	0.0	N/A
5.	For the upgrade and procurement of our IT infrastructure, including procurement of cloud services, hardware and software for firewalls, intelligent management systems and design management systems in the next three years	11.5	11.5	0.0	0.0	N/A
Total:		216.4	197.2	19.2	19.2	

The Company currently expects to fully utilise the Unutilised Net Proceeds by 31 December 2025.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Since 2024, the Company has continuously optimised supply chain and warehousing system. Based on the foundation of in-depth cooperation with core suppliers, the Company continuously promoted the direct delivery mode of suppliers, reducing intermediate links and realising the rapid conversion from production to delivery, thereby reducing dependence on domestic own warehouses and gradually reduced expenditure on supply chain management systems. At the same year, the Company strengthened its branding, created a number of core brands, entered the high-end market and realised the transformation from "Product Going Global" to "Brand Going Global". In the future, the Company will continue to increase brand promotion efforts, continuously improve brand awareness, and actively shape its brand image.

The Company intends to reallocate unused funds to improve the supply chain management system to enhance its sales and branding capabilities in order to support its brand building strategy.

Looking ahead, the Company will continue to improve its own smart logistics and warehousing system, continuously upgrade existing warehouses management, and use its own funds to support related construction when necessary.

GENERAL

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board believes the above change in the use of the Unutilised Net Proceeds would allow the Company to deploy its financial resources more efficiently and enhance the business performance of the Group in the long run and is therefore in the interests of the Group and the Shareholders as a whole.

On the progress of the use of the Unutilised Net Proceeds, the Company will provide update to its Shareholders through disclosures in its annual report and interim report. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate. The Board will continuously monitor the use of the Unutilised Net Proceeds and may revise or amend the plan for such use where necessary to cope with market conditions and strive for better business performance of the Group.

By order of the Board
Zibuyu Group Limited
Mr. Hua Bingru
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, the Board comprises Mr. Hua Bingru, Mr. Chen Caixiong, Mr. Wang Weiping and Mr. Dong Zhenguo as the executive Directors; and Mr. Yu Kefei, Mr. Shen Tianfeng, Dr. Lau Kin Shing Charles and Ms. Luo Yan as the independent non-executive Directors.