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## **MOG DIGITECH HOLDINGS LIMITED**

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

**(Stock Code: 1942)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF PREFERRED SHARES OF A STABLECOIN-BASED PAYMENT PLATFORM KUN**

#### **THE SUBSCRIPTION**

The Board is pleased to announce that on 23 July 2025 (after trading hours), Zhongbao HK (an indirect wholly-owned subsidiary of the Company), entered into the Share Purchase Agreement with the Target Company, the Target Group (other than the Target Company), the Target Co Affiliates, the Existing Investors and the Other Investors, pursuant to which, among others, the Target Company has conditionally agreed to allot and issue and the Company has conditionally agreed to subscribe for 750,000 Preferred Shares at the total Consideration of US\$6,000,000 (equivalent to approximately HK\$47,100,000).

The Target Company operates KUN, which is a stablecoin-based payment and financial infrastructure services platform.

The 750,000 Preferred Shares represent approximately 5.27% of the total issued share capital of the Target Company immediately following the Completion.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that the Subscription is subject to the conditions precedent set out in the paragraph headed “Conditions precedent” in this announcement and therefore may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

## THE SUBSCRIPTION

The Board is pleased to announce that on 23 July 2025 (after trading hours), Zhongbao HK (an indirect wholly-owned subsidiary of the Company), entered into the Share Purchase Agreement with the Target Company, the Target Group (other than the Target Company), the Target Co Affiliates, the Existing Investors and the Other Investors, pursuant to which, among others, the Target Company has conditionally agreed to allot and issue and the Company has conditionally agreed to subscribe for 750,000 Preferred Shares at the total Consideration of US\$6,000,000 (equivalent to approximately HK\$47,100,000).

The principal terms and conditions of the Share Purchase Agreement are summarised as follows:

Date: 23 July 2025

Parties:

- (i) Zhongbao HK;
- (ii) the Target Company;
- (iii) the Target Group (other than the Target Company);
- (iv) the Target Co Affiliates;
- (v) the Existing Investors; and
- (vi) the Other Investors.

The Target Company operates KUN, which is a leading stablecoin-based payment and financial infrastructure services platform.

To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, each of the Target Group (including the Target Company), the Target Co Affiliates, the Existing Investors and the Other Investors and their respective ultimate beneficial owners is an Independent Third Party.

### Subscription shares

The 750,000 Preferred Shares represent approximately 5.27% of the total issued share capital of the Target Company immediately following the Completion.

### Consideration

The Consideration payable by the Company for the subscription of the Preferred Shares shall be US\$6,000,000 (equivalent to approximately HK\$47,100,000), which shall be payable within 10 Business Days after the Completion by wire transfer to an account designated by the Target Company.

The Consideration was determined by the Company, Zhongbao HK and the Target Company after arm's length negotiations taking into account (i) the previous round of fundraising made by the Existing Investors, each of which was at the time of investment independent of the Target Group and its beneficial owner; (ii) the pre-money valuation of the Target Company of approximately US\$100 million, which increased over the previous round of fundraising as a result of over ten times' growth in transaction volume and revenue, the launch of a new card payment product line, and the successful acquisition of a virtual asset service provider license in the European Union; (iii) the investment in the Preferred Shares by the Other Investors investing in the current round of fundraising on the same valuation; and (iv) the potential upside of the Subscription Shares in respect of the future business development of the Target Company.

In view of the above, the Board considers that the Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

The obligations of each Preferred Shares Investor to consummate the Completion are conditional upon the fulfillment (or waiver) of the following conditions:

- (i) Each of the representations and warranties of the Warrantors in the Share Purchase Agreement shall have been true and complete as of the date hereof until and as of the Completion with the same effect as though such representations and warranties had been made on each such date and as of the date of the Completion, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.
- (ii) Each Warrantor shall have performed and complied with all obligations and conditions contained in the Share Purchase Agreement and other transaction documents that are required to be performed or complied with by them on or before the Completion.
- (iii) No provision of any applicable laws shall prohibit the consummation of any transactions contemplated by the Share Purchase Agreement and other transaction documents. All consents of any competent governmental authority or of any other person that are required to be obtained by any member of the Target Group or other Warrantor in connection with the consummation of the transactions contemplated by the Share Purchase Agreement and other transaction documents, including necessary board and shareholder approvals of the members of the Target Group, shall have been duly obtained and effective as of the Completion, and evidence thereof shall have been delivered to the Preferred Shares Investors.

- (iv) All corporate and other proceedings in connection with the transactions to be completed at the Completion and all documents incident thereto, including without limitation written approval from all of the then current holders of equity interests of each member of the Target Group, as applicable, with respect to the Share Purchase Agreement and the other transaction documents and the transactions contemplated hereby and thereby, shall have been completed in form and substance reasonably satisfactory to the Preferred Shares Investors, and the Preferred Shares Investors shall have received all such counterpart original or other copies of such documents as they may reasonably request.
- (v) The Articles shall have been duly adopted by all necessary action of the board of directors and/or the members of the Target Company, and such adoption shall have become effective prior to the Completion with no alteration or amendment as of the Completion, and reasonable evidence thereof shall have been delivered to the Preferred Shares Investors. The constitutional documents of each of the other Target Group companies shall be in the form and substance reasonably satisfactory to the Preferred Shares Investors.
- (vi) The Target Company shall have taken all necessary corporate action such that immediately prior to the Completion the respective boards of directors of the entities within the Target Group shall have such number of members and observers consisting of the nominees appointed by each relevant party as agreed under the Share Purchase Agreement and other transaction documents.
- (vii) Other reasonable and customary conditions.

The obligations of the Target Company to consummate the Completion are conditional upon the fulfillment (or waiver) of the following conditions:

- (i) The representations and warranties of such Preferred Shares Investor shall have been true and complete when made and shall be true and complete on and as of the Completion with the same effect as though such representations and warranties had been made on and as of the date of the Completion, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.
- (ii) Such Preferred Shares Investor shall have performed and complied with all covenants, obligations and conditions contained in the Share Purchase Agreement that are required to be performed or complied with by such Preferred Shares Investor on or before the Completion.
- (iii) Such Preferred Shares Investor shall have executed and delivered to the Company the Share Purchase Agreement and other transaction documents that are required to be executed by such Preferred Shares Investor on or prior to such Completion.

## **Completion**

Completion shall take place as soon as practicable after all Conditions Precedents have been waived or satisfied (or at such other time and place as the Target Company and Zhongbao HK shall mutually agree in writing).

## **Termination**

The Share Purchase Agreement may be terminated prior to the Completion (a) by mutual written consent of the parties thereto, (b) by each Preferred Shares Investor (with respect to such Preferred Shares Investor only) if the Completion has not been consummated within thirty (30) days after the date of the Share Purchase Agreement, (c) by either the Target Company, on the one hand, or any Preferred Shares Investor, on the other hand, with respect to such Preferred Shares Investor only, by written notice to the other if there has been a material misrepresentation or material breach of a covenant or agreement contained in the Share Purchase Agreement on the part of such Preferred Shares Investor or the Warrantors, respectively, and such breach, if curable, has not been cured within fourteen (14) days of such notice, or (d) by any Preferred Shares Investor (with respect to such Preferred Shares Investor only) if, due to change of applicable laws, the consummation of the transactions contemplated hereunder would become prohibited under applicable laws.

If the Share Purchase Agreement is terminated, the Share Purchase Agreement will be of no further force or effect upon termination provided that (i) the termination will not relieve any party from any liability for any antecedent breach of the Share Purchase Agreement, and (ii) provisions expressed to survive termination shall survive the termination of the Share Purchase Agreement.

## **Terms of the Preferred Shares and the Shareholders' Agreement**

Certain principal terms of the Preferred Shares are summarized as follows:

- |                    |  |
|--------------------|--|
| Voting rights:     | Subject to the provisions of the Articles, at all general meetings of the Target Company, the holder of a Preferred Share shall be entitled to such number of votes as equals the corresponding number of ordinary shares into which such holder's collective Preferred Shares are convertible immediately after the close of business on the record date of the determination of the Target Company's members entitled to vote. |
| Conversion rights: | Subject to Companies Act (Revised) of the Cayman Islands and the Articles, any Preferred Share may, at the option of the holder thereof, be converted at any time after the date of issuance of such shares into fully-paid and non-assessable ordinary shares based on the then-effective conversion price.   |

Automatic conversion: Each Preferred Share shall automatically be converted, based on the then-effective conversion price into fully-paid and non-assessable ordinary shares upon the earlier of (i) the Completion of a firm commitment underwritten public offering of the ordinary shares of the Target Company in a recognized stock exchange that implies a market capitalization of not less than US\$300 million or (ii) the date specified by written consent or agreement of the holders of the majority of the Preferred Shares.

Conversion price: The conversion price shall initially be the issue price, resulting in an initial conversion ratio for the Preferred Shares of 1:1. The conversion price is subject to adjustment and readjustment from time to time for dilutive stock issuances, splits, combinations, dividends, distributions, merger and reorganization and similar events.

In connection with the Subscription, Zhongbao HK, the Target Company, the Target Group (other than the Target Company), the Target Co Affiliates, the Existing Investors and the Other Investors have entered into the Shareholders' Agreement. The Shareholders' Agreement contains certain restrictions on the transfer of shares in the Target Company:

- (i) Each holder of Preferred Shares may freely transfer any equity securities of the Target Company without limitation, provided that such transfer is effected in compliance with all applicable laws, the transferee shall execute and deliver a joinder agreement to be bound by the terms of the Shareholders' Agreement upon and after such transfer, and that such holder of Preferred Shares shall not without the prior written consent of the Target Company transfer any equity securities of the Target Company held by it to any of the Target Company's competitors.
- (ii) Each holder of Preferred Shares shall have a pre-emptive right to purchase all or any portion of any new securities that the Target Company may from time to time issue as prorated to the total number of ordinary shares held by such holder of Preferred Shares on an as-converted basis.
- (iii) Each holder of Preferred Shares shall be entitled to a right of first refusal in the event that any ordinary shareholder proposes to transfer any equity securities of the Target Company or any interest therein to any transferee to purchase all or any portion of such equity securities pro rata to the total number of ordinary shares held by such holder of Preferred Shares on an as-converted basis. To the extent holders of the Preferred Shares do not exercise their respective rights of first refusal, each such holder of the Preferred Shares shall be entitled to a right of co-sale to participate in such sale to the transferee on the same terms and conditions.

## INFORMATION ON THE TARGET GROUP

The Target Company is an exempted company organized and existing under the laws of the Cayman Islands and is an innovative technology company focused on stablecoin-based payments and financial services. Built on a compliance system with licenses in Hong Kong, Singapore, and Europe, KUN primarily serves emerging markets, including the Greater Bay Area, Southeast Asia, the Middle East, Africa, and Latin America.

The Target Group has achieved a year-on-year hypergrowth in total processing value of over 200 times in April 2025, and is expected to reach a total processing value of US\$5 billion in the financial year of 2025. Additionally, the Target Group is currently serving thousands of institutional clients, and with industry-leading security and a frictionless transaction experience, it has become the preferred platform for stablecoin-based cross-border settlement.

Immediately prior to the Completion, (i) the Target Co Shareholders together hold approximately 73.4% of the total issued share capital of the Target Company, and (ii) the Existing Investors together hold approximately 26.6% of the total issued share capital of the Target Company.

### Financial information of the Target Group

Set out below is the unaudited consolidated financial information of the Target Company:

	<b>Since incorporation up to 31 December 2023 US\$'000</b>	<b>For the year ended 31 December 2024 US\$'000</b>
Revenue	— <sup>(Note)</sup>	1,185
Net loss before tax	(18)	(3,794)
Net loss after tax	(18)	(3,794)

*Note:* The Target Company was incorporated in 12 September 2023 and had yet to launch its business in 2023.

Based on the unaudited consolidated management accounts of the Target Company as at 31 December 2024, the unaudited consolidated net liabilities of the Target Company was approximately US\$2.3 million (equivalent to approximately HK\$18.1 million).



## **INFORMATION ON THE OTHER PARTIES**

### **The Target Co Affiliates**

Each of the Target Co Shareholders is principally engaged in investment holding.

The Target Co Principals are the founders and the ultimate beneficial owners of the Target Company, with Jialiang LIU having management control over the Target Company.

### **The Existing Investors and the Other Investors**

Each of the Existing Investors and the Other Investors is principally engaged in investment holding.

To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, each of the Target Co Affiliates, the Existing Investors and the Other Investors is an Independent Third Party.

## **REASONS AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE AGREEMENT**

The Company is an investment holding company, and the Group is principally engaged in digital payment solutions-related business, digital currency solutions and insurance related-business, including the provision of secure and efficient digital currency application solutions for insurance companies, intermediaries and other insurance participants, as well as e-commerce and financing services, optical products retail, and franchise and license management.

The Target Group operates KUN, which is a leading stablecoin-based payment and financial infrastructure services platform of Asia. KUN has established three core business lines – Payments, Asset Management, and Card Issuing – offering a comprehensive range of products, including enterprise accounts, asset management, on/off-ramp solutions, and card issuing. It provides secure, convenient, and efficient one-stop cross-border payment, remittance, and financial services for B2B cross-border e-commerce, commodity trade, entertainment, advertising, Web3 enterprises. KUN is building the next-generation global digital payment network to accelerate cross-border transactions.

KUN will leverage its fundraising to deepen its research and development investments in cross-border transaction security, underlying blockchain infrastructure, and wallet technologies, while accelerating upgrades of AI-driven intelligent risk control systems and compliance stacks, and through collaboration with ecosystem partners worldwide aims to build a seamless Web2-Web3 hybrid digital payment network, strengthening its global operational foundation.

Partnership with KUN represents a major step in building future-ready fintech and insurance infrastructure. By combining the Group's strengths in insurance and payment products across key industry verticals with KUN's innovation in stablecoin technology, the Group together with Kun aim to jointly deliver secure and compliant solutions that accelerate stablecoin adoption across real-world scenarios. Through technological convergence and scenario sharing, this initiative will feed back into the Group to build an integrated digital ecosystem driven by the dual pillars of "Insurance + Payment" based on stablecoin solutions.



Based on the foregoing, the Directors consider that the Subscription represents an attractive investment opportunity for the Group that offers potential capital appreciation that is in line with the business development strategy of the Group. Having considered the aforementioned, the Board is of the view that the Share Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that the Subscription is subject to the conditions precedent set out in the paragraph headed “Conditions Precedent” in this announcement and therefore may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“Articles”	the articles of association of the Target Company, as amended from time to time
“Board”	the board of Director(s)
“Business Day(s)”	any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by applicable laws or executive order to be closed in (i) the Cayman Islands, with respect to any action to be undertaken or notice to be given in the Cayman Islands, or (ii) the United States, or Duesseldorf, with respect to any action to be undertaken or notice to be given in such jurisdiction
“Company”	MOG Digitech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (with stock code: 1942)
“Completion”	the completion of the issue and subscription of the Preferred Shares under the Share Purchase Agreement

“Conditions Precedent”	condition(s) precedent to Completion as set out in the Share Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	US\$6,000,000 (equivalent to approximately HK\$47,100,000)
“Existing Investors”	entities designated by the investment firm commonly known as BAI Capital, two funds managed by the investment firm commonly known as Informed Ventures and two funds managed by the investment firm commonly known as Hash Global
“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
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of their respective connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Other Investors”	two funds managed by the investment firm commonly known as Informed Ventures and Eternium Global Limited Partnership Fund
“Preferred Shares”	the classes of Preferred Shares of the Target Company each with par value of US\$0.0001
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Preferred Shares Investors”	investors of the Preferred Shares
“Share(s)”	ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Share Purchase Agreement”	the share purchase agreement dated 23 July 2025 entered into by Zhongbao HK, the Target Company, the Target Group (other than the Target Company), the Target Co Affiliates and the Other Investors in relation to, among others, the Subscription
“Shareholders’ Agreement”	the shareholders’ agreement entered into by Zhongbao HK, the Target Company, the Target Group (other than the Target Company), the Target Co Affiliates and the Other Investors on or prior to the Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the 750,000 Preferred Shares by Zhongbao HK pursuant to the terms and conditions of the Share Purchase Agreement
“Target Co Affiliates”	the Target Co Principals and the Target Co Shareholders
“Target Co Principals”	Jialiang LIU and another individual being one of the founders and an executive of the Target Company
“Target Co Shareholders”	various shareholders of the Target Company holding all ordinary shares of the Target Company as at the date of this announcement
“Target Company”	KUN International Group Limited, an exempted company organized and existing under the laws of the Cayman Islands
“Target Group”	the Target Company and its subsidiaries
“US\$”	United States Dollars, the lawful currency of the United States of America
“Warrantors”	the Target Group and the Target Co Affiliates
“Zhongbao HK”	Zhongbao Digitech (HK) Limited, an indirect wholly-owned subsidiary of the Company
“%”	per cent

*For the purposes of this announcement, the exchange rate of US\$1.00 = HK\$7.85 has been used for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.*

By order of the Board  
**MOG Digitech Holdings Limited**  
**Zhou Yue**  
*Executive Director*

Hong Kong, 23 July 2025

*As at the date of this announcement, the Board has five executive Directors, namely Mr. Deng Zhihua (Chairman and Co-chief executive officer), Mr. Chen Yongzhong (Co-chief executive officer), Mr. Mo Mingdong, Ms. Tang Tsz Yuet and Mr. Zhou Yue, and three independent non-executive Directors, namely Mr. Yau Tung Shing, Ms. Chen Wen and Mr. Gao Hongxiang.*