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INTERNATIONAL GENIUS COMPANY

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

- (1) PROPOSED REFRESHMENT OF GENERAL MANDATE;**
- (2) PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME; AND**
- (3) PROPOSED SHARE PREMIUM REDUCTION**

1. PROPOSED REFRESHMENT OF GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the EGM.

On 22 January 2024, Dr. Ye Guanhua (as vendor), Gold Collection Enterprises Limited (as purchaser), being a wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase Agreement, pursuant to which the Company will issue a total of 105,000,000 Consideration Shares, representing 19.54% of the issued share capital of the Company as at the date of this announcement, as partial settlement of the consideration. Other than the aforementioned transaction, as at the date of this announcement, no Shares have been issued or contemplated to be issued under the Existing General Mandate and the Company has not made any refreshment of the Existing General Mandate since the 2023 AGM.

As the Existing General Mandate will almost be fully utilised after completion of the Sale and Purchase Agreement, the Board proposes to convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders for approving the Refreshment of General Mandate that:

- (i) The Directors be granted the New General Mandate to allot and issue Shares up to 20% of the issued share capital of the Company as at the date of the EGM; and

- (ii) The New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the 2023 AGM.

2. PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

In view of the amendments to Chapter 17 of the Listing Rules which took effect on 1 January 2023, the Directors considered that the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in long term planning of granting the Options to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

The adoption of the New Share Option Scheme will take effect on the date of its adoption at the EGM and is conditional upon:

- (a) the Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of an ordinary resolution at the EGM approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the New Share Option Scheme.

3. PROPOSED SHARE PREMIUM REDUCTION

The Board intends to put forward a proposal to the Shareholders at the EGM to reduce the share premium of the Company in accordance with the applicable laws of the Cayman Islands and the articles of association of the Company.

The amount standing to the credit of the Share Premium Account of the Company as at 31 December 2023 was approximately HK\$4,318 million. It is proposed that (i) all amount of approximately HK\$4,318 million standing to the credit of the Share Premium Account be reduced and cancelled and that approximately HK\$4,176 million of the credit arising from the Share Premium Reduction be applied to offset the entire amount of the accumulated losses of the Company as at 31 December 2023; and (ii) the remaining balance of approximately HK\$ 142 million of the credit arising from the Share Premium Reduction be transferred to the retained profit account of the Company.

GENERAL

A circular containing, among other things, details of the (i) Refreshment of General Mandate including the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Refreshment of General Mandate and the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate; (ii) adoption of the New Share Option Scheme and the principal terms of the New Share Option Scheme; and (iii) Share Premium Reduction, together with a notice convening the EGM, will be despatched to the Shareholders by uploading to the website of the Stock Exchange and, if applicable, through the mechanism elected by the Shareholders.

1. PROPOSED REFRESHMENT OF GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the EGM.

Existing General Mandate

At the 2023 AGM, the Shareholders approved, among other things, an ordinary resolution to give a general mandate to the Directors to issue, allot and deal with additional shares of the Company not exceeding 20% (equivalent to 107,449,020 new Shares) of the total nominal amount of the issued share capital of the Company as at the date of granting of the Existing General Mandate (i.e. 537,245,104 Shares).

On 22 January 2024, Dr. Ye Guanhua (as vendor), Gold Collection Enterprises Limited (as purchaser), being a wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase Agreement, pursuant to which the Company will issue a total of 105,000,000 Consideration Shares, representing 19.54% of the issued share capital of the Company as at the date of this announcement, as partial settlement of the consideration. Other than the aforementioned transaction, as at the date of this announcement, no Shares have been issued or contemplated to be issued under the Existing General Mandate and the Company has not made any refreshment of the Existing General Mandate since the 2023 AGM.

Proposed Grant of New General Mandate

As the Existing General Mandate will almost be fully utilised after completion of the Sale and Purchase Agreement, the Board proposes to convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders for approving the Refreshment of General Mandate that:

- (i) The Directors be granted the New General Mandate to allot and issue Shares up to 20% of the issued share capital of the Company as at the date of the EGM; and
- (ii) The New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the 2023 AGM.

The New General Mandate will, if granted, be valid until the earliest of:

- (i) The conclusion of the next annual general meeting of the Company; or
- (ii) The expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws or the articles of association of the Company; or
- (iii) The revocation or variation of the authority given to the Directors by passing an ordinary resolution by the Shareholders at a general meeting.

Reasons for the Refreshment of General Mandate

On 22 January 2024, Dr. Ye Guanhua (as vendor), the Gold Collection Enterprises Limited (as purchaser), being a wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase agreement, pursuant to which the Company will issue a total of 105,000,000 Consideration Shares, representing 19.54% of the issued share capital of the Company as at the date of this announcement, as partial settlement of the consideration. Further details have been set out in the announcements published by the Company on the website of the Stock Exchange on 23 January 2024 and 6 March 2024.

Assuming the completion of the Sale and Purchase Agreement, the Existing General Mandate which has not been utilised only represents approximately 0.5% of the existing issued share capital of the Company as at the date of this announcement. The Directors consider that the Refreshment of General Mandate will give the Board the required flexibility for any future allotment and issue of Shares on behalf of the Company as and when considered necessary. If the Refreshment of the General Mandate is approved by the Independent Shareholders at the EGM, when there are any further funding needs or if attractive business targets that could be acquired by the Company via the issue of consideration shares before the next annual general meeting, the Board will be able to respond to the market or such acquisition opportunity promptly by considering the issue of Shares at the maximum of 20% of the issued share capital

of the Company as at the date of the EGM .The Board is of the view that equity financing is non-interest bearing and that fund-raising exercises conducted under a general mandate are simpler and faster than other types of fund-raising exercises and remove uncertainties in the circumstances when specific mandate may not be obtained in a timely manner. Accordingly, the Directors (excluding the independent non-executive Directors, who will express their view in the letter from the Independent Board Committee to be included in the circular) consider that the Refreshment of General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has not yet formulated any concrete plan or agreement with any party to issue Shares by utilising the New General Mandate. That being said, the Company has from time to time received offers in relation to different acquisition targets for investment and co-operation and the Company has been actively looking out for suitable acquisition targets which are consistent with the business strategies and development of the Group.

Number of Shares under the New General Mandate

As of the date of this announcement, the Company has an aggregate of 537,245,104 Shares in issue. As announced on 6 March 2024, the Company will apply to the Stock Exchange for the listing of, and permission to deal in, the 105,000,000 Consideration Shares in tranches, with the first tranche of 21,000,000 Shares to be allotted and issued upon completion of the Sale and Purchase Agreement and the remaining tranches of 84,000,000 Shares to be allotted and issued after compliance of the relevant minimum public float requirement.

Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate at the EGM by the Independent Shareholders and assuming that (i) the first tranche Consideration Shares have been allotted and issued by the time the EGM is held; and (ii) no other Shares are issued and/or repurchased by the Company from the date of this announcement, the Company would be allowed under the Refreshment of General Mandate to allot and issue 111,649,021 Shares.

Listing Rules Implications

Pursuant to Rule 13.36(4) of the Listing Rules, the approval of the Refreshment of General Mandate will be subject to Independent Shareholder's approval at a general meeting of the Company. Any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour of the resolution to approve the Refreshment of General Mandate.

As at the date of this announcement, to the best knowledge, belief and information of the Directors having made all reasonable enquiries, Dr. Ng Yu and Neo Tech Inc, a company wholly and beneficially owned by Dr. Ng Yu, are the controlling Shareholders of the Company. Accordingly, Dr. Ng Yu and Neo Tech Inc, together with their associates are required to abstain from voting in favour of the resolution(s) to approve the Refreshment of General Mandate.

To the best of the of the Director's knowledge, information and belief having made all reasonable enquiries, save as disclosed above and as at the date of this announcement, no other Shareholder is required to abstain from voting on the proposed resolution resolution(s) on the Refreshment of General Mandate at the EGM.

2. PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

Pursuant to the ordinary resolution passed by the Shareholders on 26 June 2017, the Company adopted the Existing Share Option Scheme. As at the date of this announcement, the Company has no outstanding options under the Existing Share Option Scheme and has no intention of granting any further options under the Existing Share Option Scheme during the period from the date of this announcement to the date of the EGM.

Proposed Adoption of the New Share Option Scheme

In view of the amendments to Chapter 17 of the Listing Rules which took effect on 1 January 2023, the Directors considered that the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in long term planning of granting the Options to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

The purpose of the New Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company. The New Share Option Scheme does not involve the grant of share award. The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

The adoption of the New Share Option Scheme will take effect on the date of its adoption at the EGM and is conditional upon:

- (a) the Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of an ordinary resolution at the EGM approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the New Share Option Scheme.

3. PROPOSED SHARE PREMIUM REDUCTION

The Board intends to put forward a proposal to the Shareholders at the EGM to reduce the share premium of the Company in accordance with the applicable laws of the Cayman Islands and the articles of association of the Company.

The amount standing to the credit of the Share Premium Account of the Company as at 31 December 2023 was approximately HK\$4,318 million. It is proposed that (i) all amount of approximately HK\$4,318 million standing to the credit of the Share Premium Account be reduced and cancelled and that approximately HK\$4,176 million of the credit arising from the Share Premium Reduction be applied to offset the entire amount of the accumulated losses of the Company as at 31 December 2023; and (ii) the remaining balance of approximately HK\$142 million of the credit arising from the Share Premium Reduction be transferred to the retained profit account of the Company.

Reasons for the Share Premium Reduction

As at 31 December 2023, the Company recorded accumulated losses of approximately HK\$4,176 million. The Board is of the view that the Share Premium Reduction will allow the Company to eliminate its accumulated losses, thus enabling the Shareholders and investors of the Company to have a better appreciation of the financial position of the Company and its current businesses. Furthermore, this would also give the Company the flexibility to declare dividends to the Shareholders at the earliest opportunity in the future when the Board considers appropriate. The Board believes that the Share Premium Reduction is in the best interests of the Company and the Shareholders as a whole. At this stage, the Company does not have any present intention to declare any dividends to the Shareholders despite the Share Premium Reduction.

Effect of the Share Premium Reduction

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the shares of the Company or the trading arrangements concerning the shares of the Company. The implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Premium Reduction at the EGM; and
- (ii) compliance with section 34(2) of the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands, the Board being satisfied that on the date on which the Share Premium Reduction shall become effective, subject to the fulfilment of the above condition (i), there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the date of the EGM.

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At the EGM to be convened and held,

1. An ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Refreshment of General Mandate;
2. An ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme; and
3. An ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Share Premium Reduction.

A circular containing, among other things, details of (i) Refreshment of General Mandate including the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Refreshment of General Mandate and the recommendation from the Independent

Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate; (ii) adoption of the New Share Option Scheme and the principal terms of the New Share Option Scheme; and (iii) Share Premium Reduction, together with a notice convening the EGM, will be despatched to the Shareholders by uploading to the website of the Stock Exchange and, if applicable, through the mechanism elected by the Shareholders.

The Independent Board Committee, comprising of all the independent non-executive Directors, namely, Mr. Lo Hang Fong, Mr. Wang Jun Sheng and Mr. Yip Tze Wai Albert, will be established to advise the Independent Shareholders on the Refreshment of General Mandate. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) save as Dr. Ng Yu and Neo Tech Inc, both being controlling shareholders of the Company, and together with their associates, no Shareholders are required to abstain from voting on the resolutions to be proposed at the EGM in relation to the Refreshment of General Mandate; and (ii) no Shareholders are required to abstain from voting on the resolutions to be proposed at the EGM in relation to the adoption of the New Share Option Scheme and the Share Premium Reduction.

Shareholders and potential investors of the Company should note the Refreshment of General Mandate, adoption of the New Share Option Scheme and the Share Premium Reduction are conditional upon satisfaction of the conditions set out in this announcement and may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“2023 AGM”	The annual general meeting of the Company held on 15 December 2023
“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders
“Board”	The board of Directors
“Company”	International Genius Company, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on main board of the Stock Exchange

“Consideration Shares”	the new Shares to be allotted and issued by the Company as consideration pursuant to the Sale and Purchase Agreement
“Director(s)”	The director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Refreshment of General Mandate, termination of Existing Share Option Scheme and adoption of the New Share Option Scheme, and Share Premium Reduction
“Eligible Participant(s)”	any director (including independent non-executive Director) and employee (whether full time or part time) of the Company or any of its subsidiaries (including persons who are granted options under the New Share Option Scheme as inducement to enter into employment contracts with these companies) who in the sole discretion of the Board has contributed or will contribute to the Group
“Existing General Mandate”	The general mandate duly approved and granted by the Shareholders at the 2023 AGM
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 26 June 2017
“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 Board Committee”	an independent committee of the Board comprising of all the independent non-executive Directors to advise the Independent Shareholders in respect of the Refreshment of General Mandate
“Independent Financial Adviser”	The independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders on the Refreshment of General Mandate

“Independent Shareholders”	Shareholder(s) other than the controlling shareholders and their respective associates, or, if there is no controlling shareholder, the Directors (excluding independent nonexecutive Directors) and the chief executive of the Company and their respective associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the new mandate proposed to be sought at the EGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the EGM
“New Share Option Scheme”	the new share option scheme proposed to be adopted at the EGM
“Option(s)”	an option to subscribe for Shares granted pursuant to the New Share Option Scheme
“PRC”	People’s Republic of China
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate and the grant of the New General Mandate
“Registrar”	The Registrar of Companies of the Cayman Islands
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 January 2024 entered into among Dr. Ye Guanhua (as vendor), Gold Collection Enterprises Limited (as purchaser), being a wholly-owned subsidiary of the Company, and the Company in relation to the acquisition of the entire issued share capital of Deep Neural Computing Company Limited, a company incorporated in the BVI with limited liability
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Share Premium Account”	The share premium account of the Company

“Share Premium Reduction” The reduction of the share premium of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 8 March 2024

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