MOG DIGITECH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1942)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF PREFERRED SHARES

Reference is made to the announcement of MOG Digitech Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 23 July 2025 (the "**Announcement**") in relation to the subscription of Preferred Shares issued by KUN International Group Limited. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

SUPPLEMENTAL INFORMATION RELATING TO THE ANNOUNCEMENT

The Board would like to provide further information in relation to the Announcement as follows:

Basis of determination of the Consideration

As disclosed in the Announcement, the Consideration was determined with reference to, among others, the pre-money valuation of the Target Company of US$100 million offered by the Target Company to all the investors which participated in this round of fundraising. The Company had assessed the reasonableness of such pre-money valuation, as well as determining an appropriate valuation methodology as follows.

Valuation methodology

There are three generally accepted approaches to appraise the fair value of entire equity interest of the Target Company, namely cost approach, income approach and market approach.

Cost approach is considered inappropriate in current valuation as the methodology focuses on the historical costs of acquiring or developing an asset and it does not reflect the current market value of the asset and the potential income generating from the Target Company. Thus, cost approach is not adopted in the valuation.

Income approach is also considered inappropriate as plenty of assumptions are involved in formulating the financial projections of the Target Company, and the forecasted figures cannot be easily justifiable and may lead to an overestimated valuation result. Thus, income approach is not adopted in the valuation.

Market approach provides an indication of value by comparing the subject asset to similar assets that have been recently sold, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset. Given there are sufficient number of comparable listed companies with a similar nature and business profile to the Target Company, the market approach was adopted for the valuation.

There are two methods commonly used in performing market approach, namely comparable transaction and comparable company. Since it is difficult to collect transaction information such as recent market transaction prices and financial information of transaction cases, the Company considered using comparable transaction is not appropriate and therefore comparable company method is adopted in the valuation.

Market approach – Comparable Company Method

In arriving at an appropriate multiple for the purpose of arriving at the Consideration, the Board evaluated the reasonableness of the pre-money valuation by making references to trading multiples of certain number of comparable companies in the market with active transaction data, and the comparable companies' financial information and transaction data is public and assessable.

Comparable companies

The Company identified the following comparable companies engaging in business similar to or competing with the Target Company (the "**Comparable Company(ies)**"), including provision of stablecoin based cross-border payment/settlement services and/or on/off-ramp solutions, which are actively traded stocks listed on regulated stock exchanges.

The Comparable Companies are shown as follow:

	Name of Comparable Company	Listing location and code	Comparable principal business
1.	Visa Inc	NYSE: V	Consumer payment solutions, credit/debit cards, stablecoin-enabled transactions and settlement
2.	Mastercard Inc	NYSE: MA	Consumer payment solutions, credit/debit cards, stablecoin-enabled transactions and settlement
3.	PayPal Holdings Inc	NASDAQ: PYPL	Online payment systems, stablecoin-based remittance and settlement
4.	Coinbase Global Inc	NASDAQ: COIN	Cryptocurrency exchange, fiat-to-crypto on and off ramping solutions
5.	Block Inc	NYSE: XYZ	Point-of-sale system, fiat-to-crypto on and off ramping solutions Crypto-based payment processing
Excluded Comparable Companies (reasons given in later section)			
6.	Marqeta Inc	NASDAQ: MQ	Digital payment solutions, card issuing platform
7.	Mogo Inc	TSX: MOGO	Digital payment solutions, prepaid solutions

Source: S&P Capital IQ Database

The Comparable Companies were selected mainly based on the following selection criteria:

(i) shares of the Comparable Companies are listed on regulated stock exchanges;

(ii) the Comparable Companies' business operations as stated in the above table are materially in line with the Target Group's principal business as a global payment processing and settlement platform that offer solutions including B2B payments and settlement for cross-border transactions, virtual card issuing and/or on and off ramps;

(iii) their operation data and financials are publicly available from their financial reports, being audited and regulated in their disclosures; and

(iv) there is no material record of non-compliance or material defects relating to their comparable business operations.

While some of the Comparable Companies, such as Visa Inc, Mastercard Inc and PayPal Holdings Inc, are also substantially engaged in payment and settlement solutions for fiats, the Company considers it appropriate to include them as a Comparable Company considering:

(a) similar to Visa Inc, Mastercard Inc and PayPal Holdings Inc, the Target Company act as a global payment processing and settlement platform which is one of its principal sources of revenue, and possess its own infrastructure technology for such purpose instead of only acting as a gateway to other platforms with the relevant infrastructure;

(b) Visa Inc, Mastercard Inc and PayPal Holdings Inc had already introduced and integrated stablecoin settlement into their systems and services to offer, among others, on and off-ramps solutions to allow users to purchase and pay with stablecoins to facilitate global B2B settlements, and such services had experienced strong growth in 2025 and are expected to continue to be a major focus of Visa Inc and Mastercard Inc going forward;

(c) as further detailed in the sub-paragraph headed "Adopted valuation multiple" below, the inclusion of Visa Inc, Mastercard Inc and PayPal Holdings Inc from the Comparable Companies resulted in a lower valuation of the Target Company based on the adopted valuation multiplies as compared to the exclusion thereof, and therefore their inclusion do not have any adverse implication on the reasonableness of the pre-money valuation of the Target Company; and

(d) the status of Visa Inc, Mastercard Inc and PayPal Holdings Inc as the leading global payment and settlement solutions providers, such that their valuation multiples are considered to be representative of the market and the inclusion thereof are important for the Company's assessment.

To the best of the Directors' knowledge and belief, the list of Comparable Companies in the table above is an exhaustive list based on the selection criteria.

Excluded Comparable Companies

The Company considered that there are incomparable financial data and potential irregularities in the data of the excluded Comparable Companies due to singular payment technology specialisation and high customer concentration. Furthermore, there are defects identified in their platforms which may be prone to exploits and attacks or operational failures leading to regulatory risks including fines and penalties. For instance, a) Marqeta Inc was reported to have high customer concentration on Block Inc and principally focuses on card issuing which lacks a diverse line of products; and b) Mogo Inc were fined approximately CAD1.2 million by Kenyan regulators for false credit terms.

Accordingly, it was considered that the Comparable Companies represented relevant comparisons for the valuation of the Target Company notwithstanding some of their substantially larger market capitalisations, considering (i) the overlap of the relevant business operations; and (ii) their business, operations and financial data are publicly accessible and more reliable.

Adopted valuation multiple

In view of the business nature of payment/settlement services, the Company adopted the enterprise value ("**EV**") to total payment value ("**TPV**") ratio in arriving at its conclusion.

The Board considered it suitable to adopt the EV-to-TPV ratio as the pricing multiple in determining the reasonableness of the Consideration given that: (i) the Target Company is an early stage startup and is focused on expanding its market to maintain growth momentum, and has not recorded net profit nor positive net asset value based on the unaudited consolidated financial statements for the latest financial year ended 31 December 2024 and therefore the earnings related ratios and book value related ratios are not applicable; (ii) EV-to-TPV ratio is a straightforward and clear methodology for the valuation of the Target Company given that there are significant variations in capital structures among the Comparable Companies; and (iii) TPV is preferred to sales/revenue as a metric given that the Comparable Companies and the Target Company are mainly payment processors, fintech firms or platforms where TPV is generally regarded as the key revenue driver and performance metric.

The multiples of the Comparable Companies are listed as follows:

	Name of Comparable Company	**EV-to-TPV (Last twelve months period as of 30 June 2025)**
1.	Visa Inc	0.0491 times
2.	Mastercard Inc	0.0512 times
3.	PayPal Holdings Inc	0.0445 times
4.	Coinbase Global Inc	0.0764 times
5.	Block Inc	0.1947 times
Excluded Comparable Companies		
6.	Marqeta Inc	0.0057 times
7.	Mogo Inc	0.0079 times

Source: *S&P Capital IQ Database*

Average:	**0.0832 times**
Maximum:	**0.1947 times**
Minimum:	**0.0445 times**
Implied:	**0.1169 times**

In assessing the pre-money valuation of the Target Company, the Company adopted the actual TPV of KUN of approximately US$855.75 million recorded in the 9-month period ended 31 March 2025. Based on the TPV of KUN for the said period, and adopting the mean EV-to-TPV ratio of the Comparable Companies of 0.0832 times, the resulting EV is approximately US$71.2 million. The pre-money valuation of approximately US$100 million represented a premium of approximately US$28.8 million over the assessed EV of US$71.2 million.

For illustration purpose, if Visa Inc, Mastercard Inc and PayPal Holdings Inc are excluded as Comparable Companies, the mean EV-to-TPV ratio of the Comparable Companies would become 0.1355 times, and the resulting EV of KUN would become approximately US$116.0 million. Based on the pre-money valuation of approximately US$100 million, this would imply a discount of approximately US$16.0 million to the assessed EV, as compared to the abovementioned premium of approximately US$28.8 million over the assessed EV of US$71.2 million when including Visa Inc, Mastercard Inc and PayPal Holdings Inc as Comparable Companies.

The Company considered that (i) the Target Company's actual TPV from April 2025 to June 2025 was not taken into account in the calculation of the above assessment, whereas the monthly average of TPV during this period were evidently higher than the monthly average of TPV during the 9-month period ended 31 March 2025 and the accounting of which would result in anomalies unfavorable to the Company as an investor; and (ii) the year-on-year hypergrowth in total payment value of the Target Group of over 200 times in March 2025; and (iii) the pre-money valuation of US$100 million (as the EV) implied an EV-to-TPV ratio of approximately 0.1169 times, which falls within the range of EV-to-TPV ratio given by the Comparable Companies (from 0.0445 times to 0.1947 times).

As such, the Board considers that the pre-money valuation of the Target Company of US$100 million which was offered by the Target company to all the investors in this round of fundraising, and on which the Consideration is based, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons and benefits for the Subscription

The Group has been utilizing e-CNY payment and blockchain applications to provide payment and settlement services, smart contract services and dual-chain integrated financial services to its customers for various scenarios including insurance industry, supply chain financing, carbon trade and cross-border e-commerce payments within mainland China through its comprehensive e-CNY application technology service platform (the "**e-CNY Platform**"). The Group's e-CNY Platform integrates with the existing systems of insurers to improve the efficiency of policy issuance, premium collection and claims processing, and encompasses features such as cloud payment platform for aggregated payment channels and payroll distribution services.

The subscription of Preferred Shares of the Target Company represented the Group's strategic financial investment in a leading stablecoin-based payment and financial infrastructure services platform. By investing in a minority stake in the Target Company, the Target Company is willing to collaborate with the Group to further develop and extend the Group's digital payment solutions-related business apart from mainland China by implementing the Target Company's secure stablecoin payment solutions and their technologies, while at the same time enjoying potential investment return from any capital gain in the Target Company's equities.

On 5 August 2025, all the conditions precedent to the Share Purchase Agreement had been fulfilled and the Subscription was completed in accordance with the terms of the Share Purchase Agreement.

Business updates

Following the Subscription, the Group entered into a strategic cooperation framework agreement with the Target Company to explore collaboration opportunities with the KUN platform for further development of the Group's digital payment solutions related business. The Group will collaborate with KUN to provide a one-stop comprehensive insurance client services for international markets outside mainland China including, among others, product selection and recommendations, online underwriting assistance, online completion of insurance purchases and policy management, enabling insurance clients and brokers can utilize KUN's stablecoin-based payment solutions to handle insurance-related transactions through the Group's digital payment platforms. Therefore, the Group considers the strategic cooperation with KUN to be an invaluable breakthrough opportunity to the Group as a key participant in the insurtech ecosystem.

For instance, in the context of insurance commission distribution, when insurance clients make insurance purchases with brokers through the Group's platform, the platform can also act as the channel for distribution of commission from insurance brokerage companies to the brokers. By using and implementing KUN's solutions and technologies, which offers, among others, conversion of fiat currency into stablecoins and vice-versa and stablecoin payout function, the Group's platform provides an additional option for brokers to receive commissions, which are received from insurance brokerage companies in fiat currency, in either fiat currency or stablecoins (which in the latter case will be distributed from KUN to the brokers directly). To the best of the Directors' understanding, the services of KUN in this regard are offered to international customers except mainland China and the United States.

For the purpose of the said services and solutions, to the best of the Directors' understanding (i) KUN has obtained a virtual asset service provider license in Poland which allows it to operate and offer the said services in the European Union; (ii) KUN is currently applying for the licensing as a digital payment token service provider in Singapore, and will upon obtaining such license conduct its business operations in accordance with the applicable laws of Singapore with respect to the regulated activities thereunder; and (iii) KUN also holds a trust or company service provider license and a money service operator license in Hong Kong and has been operating in full compliance with the current applicable laws of Hong Kong, and is also applying for the license to conduct type 1 and type 4 regulated activities under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) in preparation for the virtual asset dealing regime under consultation by the SFC if and when it comes into effect to ensure continued full compliance for its operations in Hong Kong.

To the best of the Directors' understanding, (i) to the extent any business operation of it is regulated or require any license, KUN will only engage in the relevant business operations when it has obtained the relevant licenses or is otherwise in compliance with the legal and regulatory framework of the relevant jurisdictions in which it operates, including the European Union, Singapore and Hong Kong; and (ii) KUN does not offer its solutions to customers in mainland China and the United States. Given the evolving regulatory landscape in respect of stablecoins-related services, going forward, the Group will in respect of KUN's solutions which are implemented by the Group onto its own platform under the collaboration, continue to review whether KUN has been properly licensed to offer such services.

Further information on the Target Company and the other parties

To the best of the Directors' understanding based on public searches and/or the information provided by the Target Company, information of the relevant Existing Investors and the Other Investors are as follows:

The Target Co Affiliates

The Target Co Shareholders comprise (i) KUN FinTech Limited, the ultimate beneficial owner of which is Jialiang LIU; (ii) KUN Asia Pacific Limited, the ultimate beneficial owner of which is Hongjie Cao; and (iii) KUN Research Co., Ltd., the ultimate beneficial owner of which is Wei Yang.

The Target Co Principals include Jialiang LIU and CHEN YU.

The Existing Investors

The Existing Investors comprise the following entities:

(i) BAI GmbH, a company incorporated in Germany with limited liability which is a venture capital fund wholly-owned by Reinhard Mohn GmbH, which in turn is wholly-owned by Bertelsmann SE & Co. KGaA. Bertelsmann SE & Co. KGaA is controlled by Bertelsmann Verwaltungsgesellschaft, which in turn is controlled by Mr. Christoph Mohn;

(ii) BAI Capital Fund I, L.P., an investment fund established as an exempted limited partnership under the laws of the Cayman Islands with a wide investor base, the general partner of which is BAI Capital Fund I Limited, which is controlled by Annabelle Yu Long;

(iii) Informed Ventures II, L.P., an investment fund established as a limited partnership under the laws of the United States with a wide investor base, the general partner of which is Informed Partners II, L.P., which is controlled by Richard Jin-Choon Lim;

(iv) Informed Principals Fund II, L.P., an investment fund established as a limited partnership under the laws of the United States with a wide investor base, the general partner of which is Informed Partners II, LLC, which is controlled by Richard Jin-Choon Lim;

(v) Value Internet New Paradigm LP, an investment fund established as an exempted limited partnership under the laws of the British Virgin Islands, the general partner of which is Hash Global Investco Limited and the limited partners of which include Yao Xiaohua and other entities each holding less than 30% interest. Hash Global Investco Limited is ultimately controlled by SHEN Kang; and

(vi) Value Internet Venture LP, an investment fund established as an exempted limited partnership under the laws of the British Virgin Islands, the general partner of which is Alpine Hash Global Management Company Limited and the limited partners of which include Yao Xiaohua and other entities each holding less than 30% interest. Alpine Hash Global Management Company Limited is ultimately controlled by SHEN Kang.

The Other Investors

The Other Investors comprise the following entities:

(i) 2021 Opportunities, LLC is a company ultimately controlled by Richard Jin-Choon Lim and Xiao Hu Zhu;

(ii) Principals 2021 Opportunities, LLC is ultimately controlled by Richard Jin-Choon Lim and Xiao Hu Zhu; and

(iii) Eternium Global Limited Partnership Fund, an investment fund which general partner is Hongkong Worldwide Group Limited and which limited partners include Sunope International Logistics Inc. and Hero Knight Investments Limited, with their respective ultimate beneficial owner being an Independent Third Party.

To the best of the Company's knowledge and belief having made reasonable enquiries, each of the Target Co Affiliates, the Existing Investors, the Other Investors and their ultimate beneficial owners are Independent Third Parties.

The Company has also obtained a written confirmation from the Target Company confirming that each of the Existing Investors and the Other Investors and their respective ultimate beneficial owners are Independent Third Parties.

The Target Company

Immediately after Completion, the shareholding of the Target Company is as follows:

Shareholders of the Target Company	**Shareholding percentage**
KUN FinTech Limited	28.08%
KUN Asia Pacific Limited	29.48%
KUN Research Co., Ltd.	6.84%
BAI GmbH	5.92%
BAI Capital Fund I, L.P.	7.24%
Informed Ventures II, L.P.	8.85%
Informed Principals Fund II, L.P.	0.8%
2021 Opportunities, LLC	1.58%
Principals 2021 Opportunities, LLC	0.14%
Zhongbao Digitech (HK) Limited	5.27%
Value Internet New Paradigm LP	0.47%
Value Internet Venture LP	0.94%
Eternium Global Limited Partnership Fund	4.39%
	100.00%

Saved as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
MOG Digitech Holdings Limited
Chen Yongzhong
Executive Director

Hong Kong, 18 March 2026

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