



June 4, 2018

Dear Sirs,

|                      |  |
|----------------------|--|
| Name of the Company: | Beat Holdings Limited<br>(URL: <a href="https://www.beatholdings.com/">https://www.beatholdings.com/</a> ) |
| Representative:      | Chief Executive Officer,<br>Lian Yih Hann<br>(TSE Second Section Code Number : 9399)                       |
| Inquiries to:        | Corporate Development and Planning Division Manager,<br>Yuta Takayama<br>(TEL: Tokyo 03-4570-0741)         |

### **Subsidiary of the Company to Sign License Agreement**

Beat Holdings Limited (the “Company”) announces, today the board of directors of Xinhua Mobile Limited (“X Mobile”) has resolved to be granted of licenses (“Licenses”) from Smart Beat Profits Limited (“SBP”), a BVI company wholly owned by Mr. Lian Yih Hann (“Mr. Lian”), the CEO of the Company. The Licenses grants the use of total of 2 patents regarding recently obtained patent in Japan (Japan Patent Number 6298919 (“Patent 919”) and 6325154 (“Patent 154”), (collectively “Patents”), regarding data base construction method and database information processing system, invented by Mr. Lian, as follows.

#### **1. Purpose of grant of Licenses**

The object of the Licenses are Patents related to information processing system to collect and visualize biological information (such as heart rate variability), and data base construction method and database to be used in such information system. In particular, the Patent 154 is a basic technology for avatarizing a user’s current and past states such as physical conditions, emotions, etc., which are presumed based on heart rate variability and other biographic information, and applications to various fields such as preventive medicine, games and social media can be expected. Moreover, the Patent 919 is related to a technology of collecting, as big data, the heart rate variability and other biographic information from many users to thereby construct a database to be used in such information system. This time, through SBP, Mr. Lian has granted the Licenses to enable X Mobile to utilize such Licenses for the Licensing Business of X Mobile. In more particular, sub-licensing the License to third parties through X Mobile, X Mobile’s wholly owned subsidiary Xinhua Mobile (Hong Kong) Limited (“X Mobile (HK)”) or X Mobile (HK)’s wholly owned subsidiary Beat Chain Pte. Limited (“Beat Chain”, outline of Beat Chain as in below) (collectively “X Mobile or its wholly owned subsidiary”), and developing blockchain technology<sup>1</sup> and ecosystem<sup>2</sup> at Beat Chain, based on the Licenses after being sub-licensed the Licenses from X Mobile, under the support of technicians and developers of Activate Interactive Pte (“Activate”), subsidiary of X Mobile, providing wearable health care device, sensor, medical information and data

---

<sup>1</sup> Blockchain technology is a technology with the feature of recording data on distributed network and securing safety/stability by authorizing huge data (information of transactions and certain events) irreversibly/retroactively to prevent the record to be altered and blockchain technology is expected to be applied in various areas (for quick and safe conclusion of contracts of various transactions, and for registration/archive/interactive usage of various data, interest of rights and others) in the future.

<sup>2</sup> In the business area ecosystem means the entire system of profitability in an certain industry. It refers to not a business model of a single corporation, but how the entire industry expands its profitability, as in the ecological system.



analysis, and digital business related to development of software, in Singapore and in Asia including China. In specific, through such development at Beat Chain, we are targeting to build a blockchain eco-system platform which could store and manage mental, physical health and other area's data chronologically, under the support of technicians and developers of Activate, and license such platform through X Mobile or its wholly owned subsidiary to insurance companies, health companies and companies in other areas, globally and not limited in Asia, to create new revenues.

|     |                                     |  |  |
|-----|-------------------------------------|--|--|
| (1) | Name of company                     | Beat Chain Pte. Limited  |  |
| (2) | Address                             | 10 Eunos Road 8, #13-08, Singapore Post Centre, Singapore 408600 |  |
| (3) | Name and title of representative    | Mr. Chin Siang Hui (Mr. Chin), Director                          |  |
| (4) | Business                            | Software research and development on IP Licensing                |  |
| (5) | Capital                             | SGD2,000 (as of May 16, 2018)                                    |  |
| (6) | Date of incorporation               | March 5, 2018  |  |
| (7) | Large shareholder and holding ratio | X Mobile (HK) 100%   |  |
| (8) | Relationship with the Company       | Capital relationship   | Wholly owned by X Mobile (HK), a consolidated subsidiary of the Company.                   |
|     |                                     | Personal relationship:   | Mr. Chin is the CEO of GINSMS Inc. and Activate, consolidated subsidiaries of the Company. |
|     |                                     | Business relationship:   | Developing blockchain eco-system platform on the Licenses                                  |

## 2. Content of grant of Licenses

The object of the Licenses covers all claims regarding the Patents, including information processing system related to heart rate variability, and data base construction method and database related to heart rate variability. Mr. Lian would grant the License to X Mobile non-exclusively with the right to sub-license. Upon being granted there are no consideration or expenses to incur on X Mobile's side. In case, X Mobile could generate profit in the future by utilizing the Licenses, X Mobile will pay 50% of such profit (operating profit of each case) to SBP. Upon judging whether or not to receive the grant of Licenses at X Mobile, Mr. Lian has abstained from voting for the board resolution to conclude the Licenses, as he has special interests with this case.

There is no specific period of granting the Licenses to X Mobile and unless otherwise being cancelled it would be the same with the effective period of the patent. However, in case there are change in control of the Company (for details of the terms of such change, please refer to our press release "Severance Compensation Agreement" dated November 21, 2013) SBP may cancel the grant of Licenses to X Mobile.

## 3. Outline of counter party of the Licenses

|     |                                  |   |
|-----|----------------------------------|---|
| (1) | Name                             | Smart Beat Profits Limited                                      |
| (2) | Address                          | Room 4018, Jardine House, 1 Connaught Place, Central, Hong Kong |
| (3) | Title and Name of Representative | CEO, Mr. Lian Yih Hann  |
| (4) | Content of Business              | System development  |
| (5) | Date of incorporation            | October 11, 2005  |
| (6) | Relationship with the Company    |   |
|     | Capital relationship             | Not applicable. For reference, Mr. Lian the CEO of the Company  |



|  |                       |  |
|--|-----------------------|--|
|  |                       | owns 100% of total outstanding shares of SBP       |
|  | Personal relationship | Mr. Lian the CEO of the Company is the CEO of SBP. |
|  | Business relationship | None, other than the License                       |

#### 4. Future outlook

This time, just have been granted of the Licenses and it is hard to judge the impacts of such Licenses to the performance of the Company. At this present time, we think such impacts are small. In case any event decided or occurred required to be disclosed, we will announce such immediately.

[End]



## About Beat Holdings Limited

Beat Holdings Limited is a multi-disciplinary group company doing businesses in Singapore, China and the rest of Asia. The Company offers A2P messaging service, software products and services; provides wellness services, wearable health care device, sensor, medical information and data analysis; and offers service in licensing intellectual properties and other rights. Listed on the Second Section (9399) of Tokyo Stock Exchange, the Company is headquartered in Hong Kong with a global network.

For more information, please visit <https://www.beatholdings.com/>

This is a press release to the public and shall not constitute an offer to invest in the securities of our company, nor should it be relied on as information to make an investment decision by any investor. Investors should read documents we submitted including our annual securities report and consider the risk factors together with other information contained therein when making an investment decision. This press release contains some forward-looking statements that involve a number of risks and uncertainties. A number of factors could cause actual results, performance, achievements of the company or industries in which it operates to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.