
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Digital Hollywood Interactive Limited, you should at once hand this circular, together with the enclosed form of proxy and reply slip, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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DIGITAL HOLLYWOOD INTERACTIVE LIMITED

遊萊互動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2022)

**(1) MAJOR TRANSACTION
IN RELATION TO
FORMATION OF PROJECT COMPANY IN RELATION TO
PROPOSED ACQUISITION OF PROPERTIES
BY WAY OF PUBLIC AUCTION
AND
(2) NOTICE OF THE EGM**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the EGM of Digital Hollywood Interactive Limited to be held physically at 1st Floor, No. 368 Jiang Nan Da Dao (South), Haizhu District, Guangzhou, the PRC and virtually via e-Meeting System on Thursday, 31 March, 2022 at 3:30 p.m. (or any adjournment thereof) is set out on pages EGM-1 to EGM-3 of this circular.

If you are not able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting at the EGM or any adjourned meeting if they so wish.

* *For identification purpose only*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
SPECIAL ARRANGEMENT FOR THE EGM	4
LETTER FROM THE BOARD	6
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – GENERAL INFORMATION	II-1
NOTICE OF THE EGM	EGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Digital Hollywood Interactive Limited (遊萊互動集團有限公司*), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2022)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, approving and ratifying the Investment Cooperation Agreement and the Transaction
“Guangzhou You Lai”	Guangzhou You Lai Information Technology Company Limited* (廣州遊萊信息科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Cooperation Agreement”	the investment cooperation agreement dated 20 January 2022 entered into between Guangzhou You Lai and the JV Partner in relation to the formation of the Project Company for the Investment Project
“Investment Decision Committee”	the investment decision committee (投資決策委員會) to be set up pursuant to the Investment Cooperation Agreement
“Investment Fund Payment Notice(s)”	the investment fund payment notice(s) (投資款繳付通知) to be issued by the Project Company ED in accordance with the Investment Cooperation Agreement, the form of which is set out in Schedule 2 to the Investment Cooperation Agreement

DEFINITIONS

“Investment Project”	consists of the Proposed Properties Acquisition by way of bidding at the Public Auction and potential subsequent operational management of the Target Properties in case of successful bidding
“JV Parties”	the parties to the Investment Cooperation Agreement
“JV Partner”	Guangzhou Red Circle Information Technology Company Limited* (廣州紅圈信息科技有限公司), a company established in the PRC with limited liability
“Latest Practicable Date”	10 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Project Company”	Guangzhou Duolai Technology Investment Limited* (廣州多萊科技投資有限公司), a company established in the PRC in accordance with the terms and conditions of the Investment Cooperation Agreement
“Project Company ED”	the executive director of the Project Company who shall be assigned by Guangzhou You Lai
“Proposed Properties Acquisition”	the proposed acquisition of the Target Properties
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Public Auction”	the public auction of the Target Properties, in which the Project Company is expected to participate
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Target Properties”	consist of Target Property A, Target Property B, Target Property C and Target Property D and each a “Target Property”
“Target Property A”	the property situated at No. 31 Jingtai Street, Guangyuan Road, Baiyun District, Guangzhou* (廣州市白雲區廣園路景泰直街31號) with a total area of approximately 5,016 square metres
“Target Property B”	the property situated at Room 3401, No. 103, Tiyu West Road, Tianhe District, Guangzhou* (廣州市天河區體育西路103號) with a total area of approximately 1,002.06 square metres
“Target Property C”	the property situated at Room 3501, No. 103, Tiyu West Road, Tianhe District, Guangzhou* (廣州市天河區體育西路103號) with a total area of approximately 923.32 square metres
“Target Property D”	the property situated at Room 3601, No. 103, Tiyu West Road, Tianhe District, Guangzhou* (廣州市天河區體育西路103號) with a total area of approximately 842.50 square metres
“Transaction”	the Proposed Properties Acquisition and the transactions contemplated under the Investment Cooperation Agreement
“%”	per cent

SPECIAL ARRANGEMENT FOR THE EGM

In light of the directions in relation to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) issued by the government of Hong Kong on 9 February 2022 which has become effective on 10 February 2022, physical general meetings of companies in Hong Kong are prohibited. The Board hereby announces that the EGM will be held physically at 1st Floor, No. 368 Jiang Nan Da Dao (South), Haizhu District, Guangzhou, the PRC and virtually via the e-Meeting System.

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of our Shareholders, staff and stakeholders, the Company encourages Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolution at the EGM instead of attending the EGM in person, or attend virtually via e-Meeting System.

All registered Shareholders, proxies, corporate representatives will be able to join the EGM either physically in the PRC or via the e-Meeting System. Our e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.

Through the e-Meeting System, our registered Shareholders, proxies, corporate representatives will be able to view the live video broadcast, participate in voting and submit questions online. Login details and information will be included in our letters to registered Shareholders regarding the e-Meeting System. For proxies or corporate representatives, login details and information of the Virtual EGM will be provided to the email provided by the registered Shareholders one day before the date of the EGM held. The live broadcast can broaden the reach of the EGM to Shareholders under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend the EGM.

HOW TO ATTEND AND VOTE

Shareholders can attend the EGM and exercise their voting rights in one of the following ways:

- (1) attend the EGM physically in the PRC; or
- (2) attend the EGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or
- (3) appoint the chairman of the EGM or other person(s) as your proxy(ies) to attend and vote on your behalf physically at the EGM or via the e-Meeting System.

Your proxy's authority and instruction will be revoked if you attend and vote at the EGM in person or via the e-Meeting System.

SPECIAL ARRANGEMENT FOR THE EGM

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the EGM, vote and submit questions online.

In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the EGM arrangements at short notice. Shareholders are advised to check the websites of the Company (www.gamehollywood.com/company/) and the Stock Exchange (www.hkexnews.hk) for the latest announcement and information relating to the EGM.

LETTER FROM THE BOARD



DIGITAL HOLLYWOOD INTERACTIVE LIMITED

遊萊互動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2022)

Executive Director:

Mr. LU Yuanfeng

(Chairman and Chief Executive Officer)

Mr. HUANG Guozhan

Mr. HUANG Deqiang

Independent non-executive Directors:

Professor CHAU Chi Wai, Wilton

Mr. LI Yi Wen

Mr. LU Qibo

Registered office:

Cricket Square,

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Place of business in Hong Kong:

11/F, Tai Sang Bank Building

784 Nathan Road

Kowloon, Hong Kong

16 March 2022

To the Shareholders

Dear Sir or Madam

**(1) MAJOR TRANSACTION
IN RELATION TO
FORMATION OF PROJECT COMPANY IN RELATION TO
PROPOSED ACQUISITION OF PROPERTIES
BY WAY OF PUBLIC AUCTION
AND
(2) NOTICE OF THE EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 20 January 2022 in relation to the Transaction.

On 20 January 2022, Guangzhou You Lai (an indirect wholly-owned subsidiary of the Company) entered into the Investment Cooperation Agreement with the JV Partner, pursuant to which Guangzhou You Lai and the JV Partner have agreed to establish the Project Company in the PRC for the Investment Project.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further details of the Transaction, other information required under the Listing Rules and the notice of the EGM.

THE INVESTMENT COOPERATION AGREEMENT

The principal terms of the Investment Cooperation Agreement are set out as follows:

Date

20 January 2022

Parties

1. Guangzhou You Lai; and
2. the JV Partner

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the JV Partner is ultimately owned by Mr. HUO Zhigang and Mr. HUO Qi as to 60% and 40%, respectively, and (ii) the JV Partner and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Term

The term of the Project Company shall be four years commencing from the date of obtaining business certificate (營業執照) in the PRC.

The investment period as agreed under the Investment Cooperation Agreement shall be three years.

The terms of the Project Company and the Investment Period are determined with reference to (i) the prevailing terms for project company setting up and investment period (which should be shorter than the duration of the project company) for similar transactions in the PRC; (ii) the Group's negotiation with the JV Partner which has, among others, taken into account the refund mechanism and period given to the Group and its own financial planning; and (iii) the estimated time of completion of the Public Auction as well as the relevant legal and administrative procedures of the acquisition of the Target Properties, especially taken into account the COVID-19 restriction measures imposed in the PRC. The terms of the Project Company and the Investment Period are not extendable unless with consent from the JV Parties pursuant to the Investment Cooperation Agreement.

During the term of the Project Company, it is anticipated that (i) the Public Auction as well as the legal and administrative procedures of the acquisition of the Target Properties which have successfully bided (including the substituted property for Target Property D, if any) will be completed; and (ii) by then, Guangzhou You Lai will have formed a view as to whether to proceed with the Investment Project or exercise its option to forgo its interest in the Investment Project and retrieve the investment fund paid plus interest in accordance with the Investment Cooperation Agreement. Therefore, upon expiry of the term of the Project Company, if Guangzhou You Lai decides to proceed with the Investment Project, it is anticipated that it will acquire the interest of the JV Partner in the Project Company in whole or in part to attain control of the Target Properties and in such case, the Company will comply with the relevant requirements under Chapter 14 of the Listing Rules as and when appropriate.

LETTER FROM THE BOARD

Formation of the Project Company

The JV Parties have agreed to establish the Project Company in the PRC for the Investment Project which consists of the Proposed Properties Acquisition by way of bidding at the Public Auction and potential subsequent operational management of the Target Properties in case of successful bidding. The equity interest of the Project Company will be owned as to 70% by the JV Partner and as to 30% by Guangzhou You Lai.

The JV Parties does not intend to make other investment through the Project Company other than the Investment Project. Nevertheless, in case of unsuccessful bidding of any one of the Target Properties, the JV Parties might look for another suitable property with similar nature, amount and quality to replace the Target Property which is unsuccessfully bided for bidding but in any event the maximum capital commitment contributed by Guangzhou You Lai under the Investment Cooperation Agreement should not exceed RMB40.3 million.

Capital Contribution

Pursuant to the Investment Cooperation Agreement, the total registered capital of the Project Company is RMB1 million, among which RMB300,000 shall be contributed by Guangzhou You Lai and RMB700,000 shall be contributed by the JV Partner. The registered capital shall only be used for the fixed expenses and fees of the Project Company but not for the Investment Project. As at the Latest Practicable Date, Guangzhou You Lai has paid RMB25,300,000 to the Project Company, in which RMB300,000 was the initial investment payment and RMB25,000,000 shall be used primarily for the payment of consideration (after deducting the deposit paid) of Target Property B and Target Property C and the deposit of Target Property A.

The Project Company will only pay the deposit (which shall be deducted from the consideration in case of successful bidding) when the details of the Public Auction of the respective Target Property are available and proceed to pay the consideration in case of successful bidding. As such, the payment schedule of Guangzhou You Lai for the remaining RMB15 million largely depends on the details of the Public Auction (including the payment schedule) for Target Property A and other suitable property(ies) (if any) in substitution of Target Property D.

The Project Company will satisfy the consideration of Target Property A in case of successful bidding by requesting the JV Parties to contribute the required capital in proportion to their shareholding.

LETTER FROM THE BOARD

Payment of Investment Fund

The JV Parties shall pay investment fund in accordance with the amount and date as stated in the Investment Fund Payment Notice issued by the Project Company ED. The JV Parties shall pay investment fund in the following manner:

- (1) the Project Company ED shall have the right to issue the Investment Fund Payment Notice depending on the specific needs of the Investment Project. The Investment Fund Payment Notice shall stipulate the investment date and investment time (which shall not be later than 2 p.m. on the investment payment date). The JV Parties shall pay investment fund before the date and time as stated in the Investment Fund Payment Notice;
- (2) initial investment fund of RMB1 million shall be paid by the JV Parties to the Project Company within seven working days upon execution of the Investment Cooperation Agreement. The Project Company ED will not issue the Investment Fund Payment Notice for the same;
- (3) Guangzhou You Lai shall pay the second payment of investment fund of RMB40 million to the Project Company before the Project Company participates in the bidding of the Target Properties and the Project Company ED is not required to issue the Investment Fund Payment Notice for the same; and
- (4) after successful bidding of the Target Properties, the JV Partner shall confirm the amount of the second payment of investment fund which shall be 70% of the consideration of the Target Properties (including deposit paid). The Project Company ED is not required to issue the Investment Fund Payment Notice for the same.

The Company confirms that the maximum capital commitment of the Group under the Investment Cooperation Agreement is RMB40.3 million, which comprises (i) the initial investment of RMB0.3 million and (ii) the second investment payment of RMB40 million.

The amounts of capital contribution and investment fund under the Investment Cooperation Agreement were determined after arm's length negotiation between the JV Parties with reference to, among others, the amounts of the anticipated consideration of the Target Properties and their respective interest in the Project Company. It is expected that the capital commitment of the Group under the Investment Cooperation Agreement would be financed by its internal resources.

LETTER FROM THE BOARD

Management of the Project Company

There shall be no board of directors for the Project Company. The JV Parties agreed that the Project Company ED is to be assigned by Guangzhou You Lai. The Project Company ED shall be responsible for decision making during the daily operation of the Project Company. The Project Company shall set up the Investment Decision Committee which shall be primarily responsible for making decisions for investment decisions, management and withdrawal of the Investment Project. The Investment Decision Committee shall comprise two members, and each of Guangzhou You Lai and the JV Partner is entitled to assign one member. The members of the Investment Decision Committee will not receive any remuneration from the Project Company.

The Investment Project

The funding of the Project Company shall be used for the Proposed Properties Acquisition and the release of the funding shall be decided by the Investment Decision Committee. The Project Company shall be responsible for the bidding of the Target Properties and its related matters, including becoming the legitimate holder of the Target Properties in case of successful bidding. The details of the Target Properties are set out in the section headed “INFORMATION ON THE TARGET PROPERTIES” in this circular.

Refund

In case of unsuccessful bidding of the Target Properties, Guangzhou You Lai has the right to request the Project Company to refund all investment fund paid by it within 10 days after the request is lodged. If the bidding of the Target Properties is successful, within two years upon the completion date (i.e the date on which the legal ownership of the respective Target Property has been transferred to the Project Company) of all of the Target Properties (the “**Option Period**”), Guangzhou You Lai has the right to decide to proceed with the Investment Project or forgo its equity interest in the Project Company. If Guangzhou You Lai decides not to proceed with the Investment Project within the Option Period, it has the right to request the Project Company to repurchase its entire equity interest in the Project Company at the consideration which shall be equal to all amount paid by Guangzhou You Lai plus 8% interest per annum (and with reference to the value of the repurchased equity interest during the Option Period (if such value is higher)). The length of the Option Period is determined with reference to (i) the prevailing market term of option period for similar transactions in the PRC; (ii) the Group’s negotiation with the JV Partner which has, among others, taken into account its own financial planning including the possibility of disposing the Target Properties after the two-year option period provided to Guangzhou You Lai. The Project Company shall complete the repurchase of the equity interest at the abovementioned consideration within 10 days upon Guangzhou You Lai disposing its equity interest. The value of the repurchased equity interest (which should primarily base on the then market value of the Target Properties as held by the Project Company and the shareholding of Guangzhou You Lai in the Project Company) shall be appraised by an independent third party valuer. The Company will comply with the relevant requirements under Chapter 14 of the Listing Rules if it exercises the option to forgo its equity interest in the Project Company as mentioned above.

In addition, the substitution of Target Property which is unsuccessfully bided (if any) shall not affect the refund mechanism as stated above and the Option Period shall be two years upon the completion date of all of the Target Properties (including the substituted property, if any).

LETTER FROM THE BOARD

If the Project Company fails to refund in the manner or repurchase the equity interest of Guangzhou You Lai as stated above, Guangzhou You Lai has the right to require the Project Company to pay penalty which shall be 0.05% of the contemporary total amount of the total investment fund on a daily basis.

Distribution of Investment Profit

The investment profit shall only be distributed upon mutual consent of the JV Parties. The investment profit of the Project Company shall be distributed in the following order:

1. to Guangzhou You Lai, until Guangzhou You Lai realises basic profit from its investment fund paid against the actual capital contributed;
2. to the JV Partner, until the JV Partner realises basic profit from its investment fund paid against the actual capital contributed.

It should be noted that the investment profit shall be distributed according to the proportion of actual capital contributed by each of Guangzhou You Lai and the JV Partner, and if the cash in the Project Company for the distributable investment profit is not sufficient to pay Guangzhou You Lai and the JV Partner in one go, Guangzhou You Lai should be paid in priority to the JV Partner.

Apart from the investment profit, other income obtained by the Project Company, including the income generated from idle fund management, penalty, realised guaranteed income and compensation, etc, shall be all distributed to Guangzhou You Lai.

Termination

The Project Company shall be dissolved and calculated when one of the following situations happen:

- (1) as proposed by a shareholder and subsequently as agreed by all shareholders;
- (2) the term of the Project Company is expired and is not prolonged;
- (3) serious breach of the Investment Cooperation Agreement by a shareholder, which renders the Project Company ED concludes that the Project Company shall not be able to run;
- (4) the business certificate of the Project Company has been withdrawn, the Project Company being ordered to shut down, be revoked or is bankrupt;
- (5) all investment project conducting by the Project Company has completed and the Project Company ED has independently decided the Project Company shall be calculated; and
- (6) other reasons for dissolution as stated in the Company Law in the PRC or the Investment Cooperation Agreement.

LETTER FROM THE BOARD

INFORMATION ON THE TARGET PROPERTIES

1. Target Property A

Pursuant to the information on the website of Guangzhou Enterprises Mergers and Acquisitions Services (廣州產權交易所) in the PRC, the following are the major information in relation to the Target Property A:

Auction title:	Overall transfer of No. 31, Jingtai Street, Guangyuan Road, Baiyun District, Guangzhou
Transfer floor price:	RMB67,716,000
Deposit:	RMB10,000,000
Total construction area:	5,016 square metres
Current usage:	Integrated
Planned usage:	Commercial
Leasing situation:	Not leased but is temporarily managed by a third party

2. Target Property B, Target Property C and Target Property D

Pursuant to the auction announcements as stated on the website of Jingdong Auction* (京東拍賣), the following are the major information in relation to the Target Property B, Target Property C and Target Property D. Most of the information in relation to the Target Property B, Target Property C and Target Property D are substantially the same:

Auction title:	Room 3401 (in case of Target Property B), Room 3501 (in case of Target Property C) and Room 3601 (in case of Target Property D), No. 103, Tiyu West Road, Tianhe District, Guangzhou* under the name of Shunyang Construction Engineering Co., Ltd.* (廣東順洋建設工程有限公司)
Transfer floor price:	Target Property B: RMB11,303,253.6 Target Property C: RMB10,415,016.8 Target Property D: RMB9,139,464.0
Deposit:	The deposit is charged at 10% of the starting price
Total construction area:	Target Property B: 1,002.06 square metres Target Property C: 923.32 square metres Target Property D: 842.50 square metres

LETTER FROM THE BOARD

Registration:	Target Property B: Guangdong Real Estate Right Certificate Sui Zi No. 0120201259* (粵房地權證穗字第0120201259號) Target Property C: Guangdong Real Estate Right Certificate Sui Zi No. 0120201260* (粵房地權證穗字第0120201260號) Target Property D: Guangdong Real Estate Right Certificate Sui Zi No. 0120201261* (粵房地權證穗字第0120201261號)
Planned usage:	Commercial
Current usage:	Commercial
Usage Period:	50 years

On 20 January 2022, the Project Company was informed that it has successfully won the bid at the public auction for Target Property B and Target Property C at the bid-winning price of RMB13,203,253.6 and RMB10,465,016.8, respectively. On 26 January 2022, based on the information as disclosed on the website of Jingdong Auction* (京東拍賣), the bidding of Target Property D by the Project Company was unsuccessful. Given that the bidding of Target Property D was unsuccessful, Guangzhou You Lai and the JV Partner might look for another suitable property with similar nature, amount and quality for bidding but in any event the maximum capital commitment contributed by Guangzhou You Lai under the Investment Cooperation Agreement should not exceed RMB40.3 million. In addition, while Guangzhou You Lai has the right to require refund of all investment fund paid by it in case of unsuccessful bidding of the respective Target Property, as Guangzhou You Lai will only be required to contribute capital in accordance with its shareholding in the Project Company in case of successful bidding of the respective Target Property in practice, it does not have the need or intention to request refund.

As for Target Property A, the date of the Public Auction has not yet been announced as at the Latest Practicable Date. The Group has set the maximum bidding price for Target Property A at USD12,252,000 (i.e. approximately RMB77,873,712 based on the exchange rate of 1USD to 6.356RMB). When determining the maximum bidding price of Target Property A, the Company has taken into account the following factors:

- (a) the estimated value of Target Property A determined with reference to, among other things, the location of the properties, the usage of the properties, valuation of properties of similar types in vicinity and price variation on the real estate market;
- (b) the expected bidding competition of the Target Property A in the Public Auction;
- (c) the expected rental income that can be generated from leasing out Target Property A if the Group decides to rent them out;

LETTER FROM THE BOARD

- (d) the expected rental costs that can be saved if the Group decides to use Target Property A as its own office(s); and
- (e) the financial resources of the Group.

FINANCIAL EFFECTS

Upon establishment of the Project Company, the JV Partner will control 70% of the voting rights in the shareholders' meetings of the JV and therefore the Project Company will become a subsidiary of the JV Partner. As a result, the financial results of the JV will not be consolidated into the financial statements of the Group.

It is expected that the Transaction does not affect earnings and liabilities of the Company. In terms of accounting treatment, the major impact of the Transaction is that the investment fund as contemplated to be paid under the Transaction will be recognised from "cash" to "investment".

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT COOPERATION AGREEMENT, THE FORMATION OF THE PROJECT COMPANY AND THE PROPOSED PROPERTIES ACQUISITION

The Company considers that the Project Company represents an excellent investment opportunity to the Group, through which the Group will be able to hold an investment interest in the Project Company which will hold the Target Properties upon successful bidding. The formation of the Project Company enables the Group to participate in the Investment Project where the costs and funding needs arising from the acquisition of the Target Properties as well as the operational management thereof could be shared between the Group and the JV Partner in proportion to their respective equity interests in the Project Company.

The Target Properties are located in Baiyun District and Tianhe District which are the economic centres in Guangzhou. The Target Properties can be used for commercial purposes and might be either leased out to generate rental income to the Project Company or used as office by the Group itself should the Board deem appropriate. During the term of the Project Company, Guangzhou You Lai will have formed a view as to whether to proceed with the Investment Project or exercise its option to forgo its interest in the Investment Project and retrieve the investment fund paid plus interest in accordance with the Investment Cooperation Agreement. Therefore, upon expiry of the term of the Project Company, if Guangzhou You Lai decides to proceed with the Investment Project, it is anticipated that it will acquire the interest of the JV Partner in the Project Company in whole or in part to attain control of the Target Properties and the leasing out or the use of the Target Properties as own office shall not be affected in case Guangzhou You Lai decides to proceed with the Investment Project.

In addition, the Investment Cooperation Agreement provides a refund mechanism to the Group, the details of which are set out in the paragraph headed "THE INVESTMENT COOPERATION AGREEMENT – Refund" in this circular.

LETTER FROM THE BOARD

Therefore, having considered (i) the relatively low risk of the investment in light of the refund mechanism; (ii) the prime location of the Target Properties which are expected to either generate rental income or used by the Group itself as office upon successful bidding; and (iii) the lower capital commitment required on the part of the Group which enables it to maintain a healthy risk management and cashflow position and benefit the Group's financial performance in the long run, the Board considers that the terms of the Investment Cooperation Agreement are on normal commercial terms and are negotiated on an arm's length basis and Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Transaction exceed 25% but all are less than 100%, the Transaction constitutes a major transaction of the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

Guangzhou You Lai

Guangzhou You Lai is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the provision of software and information technology services.

JV Partner

The JV Partner is a company established in the PRC with limited liability. It is principally engaged in provision of information technology consulting services, digital animation production, software development and game design and production.

The Group

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in game research and distribution.

EGM

The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular. The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve and ratify the Investment Cooperation Agreement and the Transaction. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Investment Cooperation Agreement and the Transaction, and thus no Shareholder is required to abstain from voting at the EGM.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the proposed resolution will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in compliance with the Listing Rules.

A form of proxy for the EGM is enclosed with this circular. If you are not able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so desire.

The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Monday, 28 March 2022. All transfers of Shares accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 28 March 2022.

RECOMMENDATION

Having considered the reasons set out herein, the Directors (including the independent non-executive Directors) consider that the terms of the Investment Cooperation Agreement are on normal commercial terms and are negotiated on an arm's length basis and Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve and ratify the Investment Cooperation Agreement and the Transaction.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By Order of the Board
Digital Hollywood Interactive Limited
LU Yuanfeng
Chairman and Chief Executive Officer

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2021 are disclosed in the following documents which have been published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.gamehollywood.com/company/.

- (a) annual report of the Company for the year ended 31 December 2018 published on 30 April 2019 (pages 94 to 212) <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0430/ltn201904301952.pdf>
- (b) annual report of the Company for the year ended 31 December 2019 published on 23 April 2020 (pages 97 to 220) <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0423/2020042302212.pdf>
- (c) annual report of the Company for the year ended 31 December 2020 published on 30 April 2021 (pages 105 to 224) <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0430/2021043000751.pdf>
- (d) interim report of the Company for the six months ended 30 June 2021 published on 24 September 2021 (pages 31 to 44) <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0924/2021092400797.pdf>

2. INDEBTEDNESS

(1) Borrowings

As at 31 January 2022, being the latest practicable date for the purpose of this indebtedness statement, the Group did not have any outstanding borrowings.

(2) Lease liabilities

As at 31 January 2022, the Group had lease liabilities of approximately USD1.69 million.

(3) Contingent liabilities

As at 31 January 2022, the Group did not have any contingent liability.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 January 2022, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, taking into account of (i) the internal resources of the Group; (ii) cash flows from operations; (iii) the available banking facilities to the Group; (iv) the cash flow impact of the Transaction, and in the absence of unforeseen circumstances such as acts of God and change in existing government policies or political, legal, fiscal, market or economic conditions in Hong Kong and the PRC which will materially and adversely affect the business and the operation of the Group, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest audited financial statement of the Group were made up and up to the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS

The Company anticipates that in the first half of 2022, competition in the global game industry remained intense and challenging due to market competition, government regulation and the ongoing global pandemic. Despite facing various challenges, the Company remained steadfast in its commitment to the sustainable development of its business and actively laid a solid foundation for healthy growth in the future.

In the first half of 2022, it is expected that the Group will further strengthen its expansion and promotion in the European and South American markets. It is expected it will allow the Group to build up contacts and strengthen cooperation with game industry organizations, game development studios and media in Europe, Southeast Asia and South America. By making full use of all kinds of overseas game resources, the Group actively seeks to cooperate with game organizations in many regional markets around the world and expand product resources to enhance the Group's influence in overseas game markets, so as to provide a guarantee for the further international operation and development of the Group.

The Group anticipated that a series of new game products will be launched this year. Meanwhile, given that a number of games have already been published on overseas publishing platforms, the Group plans to further promote the publishing of games on these platforms to expand its global influence. The Group hopes that these plans will be able to bring a positive impact on the revenue of the Group.

Affected by the changes in the political and market environment, more domestic game developers turn their attention to the international market and seek opportunities for overseas development. As a company focusing on the international distribution of games, the Group has more than 10 years of successful overseas game publishing experience. According to the development arrangement of the Group, the Group will make good use of its overseas

distribution advantages, combined with the needs of domestic developers for overseas distribution of games, and establish a continuous and close cooperative relationship with them in the future. At the same time, through in-depth cooperation with more game developers, the Group will develop game products, further improve the Group's game categories and expand its game product reserves.

The Group will continue to expand its game portfolio, improve its game design and layout, and utilize its unique resources to realize the single-engine cross-platform operation of our game products, so as to further expand and improve the Group's layout and business presence in overseas markets.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and Chief Executive in Securities

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules are as follows:

Interest in Shares or Underlying Shares of the Company

Name of Director	Nature of Interest	Number of ordinary shares interested	Number of ordinary shares interested
Mr. LU Yuanfeng	Interest in controlled corporation; interest of spouse; interest held jointly with another person	947,958,387 (L)	47.40%
Mr. HUANG Guozhan	Interest in controlled corporation; interest held jointly with another person	947,958,387 (L)	47.40%
Mr. HUANG Deqiang	Interest in controlled corporation; interest held jointly with another person	947,958,387 (L)	47.40%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

- (2) Under the SFO, Mr. LU Yuanfeng is deemed to be interested in all Shares held by LYF Digital Holdings Limited, a company which is wholly owned by him. Mr. LU Yuanfeng is also deemed to be interested in all Shares held by (i) Ms. LUO Simin as Ms. LUO Simin is the spouse of Mr. LU Yuanfeng; and (ii) Mr. HUANG Guozhan and Mr. HUANG Deqiang as they are parties acting in concert.
- (3) Under the SFO, Mr. HUANG Guozhan is deemed to be interested in all Shares held by (i) LXT Digital Holdings Limited, a company which is wholly owned by him; and (ii) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Deqiang as they are parties acting in concert.
- (4) Under the SFO, Mr. HUANG Deqiang is deemed to be interested in all Shares held by (i) HDQ Digital Holdings Limited, a company which is wholly owned by him; and (ii) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Guozhan as they are parties acting in concert.

Interest in associated corporation

Name of Director	Associated Corporation	Capacity/nature of interest	Number of Shares	Approximate percentage of shareholding interest
Mr. LU Yuanfeng	LYF Digital Holdings Limited	Beneficial owner	100	100%
Mr. HUANG Guozhan	LXT Digital Holdings Limited	Beneficial owner	100	100%
Mr. HUANG Deqiang	HDQ Digital Holdings Limited	Beneficial owner	100	100%

Note:

- (1) Under the SFO, a holding company is regarded as an “associated corporation.” As at the Latest Practicable Date, LYF Digital Holdings Limited, LXT Digital Holdings Limited and HDQ Digital Holdings Limited held 27.64%, 2.85% and 4.91% of our issued share capital, respectively, and thus are our associated corporations.

Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' Interests in Securities

As at the Latest Practicable Date, the following corporations/persons had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital
Mr. LU Yuanfeng	Interest in a controlled corporation; interests of spouse; interest held jointly with another person	947,958,387 (L)	47.40%
LYF Digital Holdings Limited	Beneficial owner; interests held jointly with another person	947,958,387 (L)	47.40%
Ms. LUO Simin	Interest in a controlled corporation; interests of spouse; interest held jointly with another person	947,958,387 (L)	47.40%
Angel Age Limited	Beneficial owner; interests held jointly with another person	947,958,387 (L)	47.40%
Mr. HUANG Guozhan	Interest in a controlled corporation; interest held jointly with another person	947,958,387 (L)	47.40%
LXT Digital Holdings Limited	Beneficial owner; interests held jointly with another person	947,958,387 (L)	47.40%
Mr. HUANG Deqiang	Interest in a controlled corporation; interest held jointly with another person	947,958,387 (L)	47.40%
HDQ Digital Holdings Limited	Beneficial owner; interests held jointly with another person	947,958,387 (L)	47.40%

Name of Shareholder	Nature of Interest	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital
7Road Holdings	Beneficial owner	294,144,901 (L)	14.71%
The Core Trust Company Limited	Trustee	141,591,189 (L)	7.10%
Epic City Limited	Nominee for another person	141,591,189 (L)	7.10%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Under the SFO, Mr. LU Yuanfeng is deemed to be interested in all Shares held by LYF Digital Holdings Limited, a company which is wholly owned by him. Mr. LU Yuanfeng is also deemed to be interested in all Shares held by (i) Ms. LUO Simin as Ms. LUO Simin is the spouse of Mr. LU Yuanfeng; and (ii) Mr. HUANG Guozhan and Mr. HUANG Deqiang, as they are parties acting in concert.
- (3) Under the SFO, Ms. LUO Simin is deemed to be interested in all Shares held by Angel Age Limited, a company which is wholly owned by her. Ms. LUO Simin is also deemed to be interested in all Shares held by (i) Mr. LU Yuanfeng as Mr. LU Yuanfeng is the spouse of Ms. LUO Simin; and (ii) Mr. HUANG Guozhan and Mr. HUANG Deqiang, as they are parties acting in concert.
- (4) Under the SFO, Mr. HUANG Guozhan is deemed to be interested in all Shares held by (i) LXT Digital Holdings Limited, a company which is wholly owned by him; and (ii) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Deqiang as they are parties acting in concert.
- (5) Under the SFO, Mr. HUANG Deqiang is deemed to be interested in all Shares held by (i) HDQ Digital Holdings Limited, a company which is wholly owned by him; and (ii) Mr. LU Yuanfeng, Ms. LUO Simin and Mr. HUANG Guozhan as they are parties acting in concert.
- (6) The Core Trust Company Limited, being the trustee of Post-IPO Share Option Scheme, directly holds the entire issued share capital of Epic City Limited, which holds Shares underlying the options to be granted under the scheme for the benefit of eligible participants pursuant to such scheme.

3. DIRECTORS 'SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contracts with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which have been since 31 December 2020 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to or by any member of the Group, or are proposed to be acquired or disposed of by or leased to or by any member of the Group.

There is no contract or arrangement subsisting as at the date of this circular in which any of the Directors is materially interested and which is significant to the business of the Group.

5. INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors or the controlling Shareholders or their respective close associates had interests in any business which competes or may compete, either directly or indirectly, with the businesses of the Group or has or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the Investment Cooperation Agreement, no other contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the date of this circular and are, or may be, material.

7. LITIGATION AND CLAIMS

As at the Latest Practical Date, there was no litigation or claim of material importance pending or threatened against any member of the Group.

8. MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The headquarters and principal place of business of the Company in the PRC is at 2nd Floor, No. 368, Jiang Nan Da Dao (South) Haizhu District Guangzhou, the PRC.
- (c) The principal place of business of the Company in Hong Kong is at 11/F, Tai Sang Bank Building 784 Nathan Road Kowloon Hong Kong.
- (d) The Company's Hong Kong share registrar is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

- (e) The company secretary of the Company is Mr. WONG Wai Chiu, who is a fellow member of the Hong Kong Institute of Chartered Secretaries, a fellow member of the Chartered Governance Institute, a member of CPA Australia, a member of the Hong Kong Trustee Association and a certified trust practitioner.
- (f) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (1) on the website of the Company at www.gamehollywood.com/company/ and the website of the Stock Exchange at www.hkexnews.hk and (2) during normal business hours at the head office and principal place of business of the Company in Hong Kong at 11/F, Tai Sang Bank Building 784 Nathan Road Kowloon Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the Investment Cooperation Agreement;
- (c) the annual report of the Company for the three financial years ended 31 December 2018, 2019 and 2020;
- (d) the interim report of the Company for the six months ended 30 June 2021; and
- (e) this circular.

NOTICE OF THE EGM



DIGITAL HOLLYWOOD INTERACTIVE LIMITED

遊萊互動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2022)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**Meeting**”) of Digital Hollywood Interactive Limited (the “**Company**”) will be held physically at 1st Floor, No. 368 Jiang Nan Da Dao (South), Haizhu District, Guangzhou, the PRC and virtually via the e-Meeting System on Thursday, 31 March 2022 at 3:30 p.m. to consider and, if thought fit, pass the following resolution. Capitalised terms used herein shall have the same meanings as those defined in the circular dated 16 March 2022 of the Company unless otherwise specified.

ORDINARY RESOLUTION

1. “**THAT**

- (a) the Investment Cooperation Agreement, the terms and conditions thereof and the Transaction be and are hereby approved, confirmed and ratified; and
- (b) any one of the executive Directors be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect and/or to complete or in connection with the Investment Cooperation Agreement and the Transaction, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

By Order of the Board

DIGITAL HOLLYWOOD INTERACTIVE LIMITED

LU Yuanfeng

Chairman and Chief Executive Officer

Hong Kong, 16 March 2022

NOTICE OF THE EGM

Registered office:

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business

in Hong Kong:
11/F, Tai Sang Bank Building
784 Nathan Road
Kowloon
Hong Kong

Notes:

1. All registered shareholders of the Company (“**Shareholder(s)**”) will be able to join the Meeting physically at 1st Floor, No. 368 Jiang Nan Da Dao (South), Haizhu District, Guangzhou, the PRC and virtually via the e-Meeting System. Our e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.
2. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote at the Meeting instead of him. A proxy needs not be a member of the Company. A member who is the holder of two or more shares of the Company (the “**Shares**”) may appoint more than one proxy to represent him to attend and vote at the Meeting on his behalf.
3. To be valid, the form of proxy, duly completed and signed in accordance with the instructions printed thereon, together with any power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof. The completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting at the Meeting if you so wish.
4. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the Meeting will be Monday, 28 March 2022. All transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 28 March 2022.
5. All voting by the members at the Meeting via the e-Meeting System shall be conducted by way of poll.
6. Registered Shareholders will be able to attend the Meeting, vote and submit questions online. Each registered Shareholder’s personalized login and access code will be sent to him or her under separate copy around one week before the Meeting. In the case of joint registered holders of any share(s), only **ONE PAIR** of login and access code will be provided to the joint registered holders. Any one of such joint registered holders may attend or vote in respect of such share(s) as if he/she/it was solely entitled thereto.

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

For online voting at the Meeting, Shareholders can refer to our separate letter to be sent to you and the Online Meeting User Guide (by visiting the hyperlink or scanning the QR code as printed therein) for details. If you have any queries on the above, please contact the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, via their hotline at (852) 2975 0928 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).

7. Shareholders can attend the Meeting and exercise their voting rights in one of the following ways:
 - (1) attend the EGM physically in the PRC; or
 - (2) attend the Meeting via e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or
 - (3) appoint chairman of the Meeting or other person(s) as your proxy(ies) to attend and vote on your behalf physically at the EGM or via the e-Meeting System.

Your proxy’s authority and instruction will be revoked if you attend and vote at the Meeting via e-Meeting system.

NOTICE OF THE EGM

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the Meeting arrangements at short notice. Shareholders are advised to check the websites of the Company (www.gamehollywood.com/company/) and the Stock Exchange (www.hkexnews.hk) for the latest announcement and information relating to the Meeting.

As at the date of this notice, the executive Directors are Mr. LU Yuanfeng, Mr. HUANG Guozhan and Mr. HUANG Deqiang; and the independent non-executive Directors are Professor CHAU Chi Wai, Wilton, Mr. LI Yi Wen and Mr. LU Qibo.