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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Many Idea Cloud Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Many Idea Cloud Holdings Limited.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**多想雲**  
MANY IDEA  
CLOUD

**Many Idea Cloud Holdings Limited**  
**多想雲控股有限公司**

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

**(Stock Code: 6696)**

- (1) PROPOSED OPEN OFFER ON THE BASIS OF  
ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE;  
(2) CONNECTED TRANSACTION IN RELATION TO THE  
UNDERWRITING AGREEMENT;  
(3) APPLICATION FOR WHITEWASH WAIVER; AND  
(4) NOTICE OF THE EGM**

**Financial Adviser to the Company**



**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
滋博資本有限公司

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

A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 38 to 72 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders is set out on pages 36 to 37 of this circular.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. These certain events are set out in the paragraph headed "Termination of the Underwriting Agreement" on pages 12 to 13 of this circular. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Open Offer will not proceed.

A notice convening the EGM to be held at 12/F, ERKE Group Mansion, 11 Hualien Road, Siming District, Xiamen, the PRC on Friday, 8 March 2024 at 10:00 a.m. is set out on pages 109 to 112 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (i.e. Wednesday, 6 March 2024 at 10:00 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

25 January 2024

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context otherwise requires:*

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 28 December 2023 in relation to, among other things, the Open Offer, the Underwriting Agreement and the Whitewash Waiver
“Application Form”	the application form to be used in connection with the Open Offer in such form as the Company may approve
“associate(s)”	has the meaning ascribed to it under the Listing Rules or the Takeovers Code (as the case may be)
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, a public holiday or days on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Many Idea Cloud Holdings Limited 多想雲控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 6696)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Global Offering”	the offer of the Shares for subscription as set out in the section headed “Structure of the Global Offering” in the prospectus of the Company dated 28 October 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising the non-executive Director and all the independent non-executive Directors, namely, Ms. Liu Hong, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin, established to advise the Independent Shareholders in respect of the Open Offer, the Underwriting Agreement and the Whitewash Waiver
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Open Offer (including the transactions contemplated under the Underwriting Agreement) and the Whitewash Waiver

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## DEFINITIONS

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“Independent Shareholders”	Shareholders other than (i) the Underwriter, its ultimate beneficial owner and parties acting in concert with any of them; and (ii) those who are involved in or interested in the Open Offer, the Underwriting Agreement and the Whitewash Waiver and required under the Listing Rules and/or Takeovers Code (as the case may be) to abstain from voting at the EGM
“Independent Third Parties”	third parties independent of and not connected with the Company and its connected persons
“IP”	creations of the mind, such as literary and artistic works, videos, movies and images used in commerce
“Irrevocable Undertakings”	the irrevocable undertakings given by the Undertaking Providers
“Last Trading Day”	27 December 2023, being the last trading day of the Shares on the Stock Exchange immediately before the publication of the Announcement
“Latest Practicable Date”	22 January 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Latest Time for Application”	4:00 p.m. on Tuesday, 9 April 2024 or such other time or date as may be agreed between the Company and the Underwriter in writing, being the last time for application of and payment for the Open Offer Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 16 April 2024, being the seventh Business Day after (but excluding) the Latest Time for Application, or such other time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Many Idea Liujianhui”	Many Idea Liujianhui Limited, a company incorporated under the laws of BVI on 28 May 2021 with limited liability, which was wholly owned by Mr. Liu, and one of the Controlling Shareholders
“Many Idea Qushuo”	Many Idea Qushuo Limited, a company incorporated under the laws of the British Virgin Islands on 27 May 2021 with limited liability, which was wholly owned by Ms. Qu, and one of the Controlling Shareholders
“Mr. Liu”	Mr. Liu Jianhui (劉建輝), the executive Director, the sole shareholder of the Underwriter, one of the Controlling Shareholders and the spouse of Ms. Qu
“Ms. Qu”	Ms. Qu Shuo (曲碩), the executive Director, one of the Controlling Shareholders and the spouse of Mr. Liu
“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not apply for the Open Offer Shares (whether partially or fully) in their assured allotments or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from the Open Offer
“Open Offer”	the proposed offer for subscription of the Open Offer Shares at the Open Offer Price on the basis of one (1) Open Offer Share for every two (2) existing Shares held by the Shareholders on the Record Date and subject to the terms and conditions set out in the Underwriting Agreement and the Prospectus Documents
“Open Offer Completion”	completion of the Open Offer
“Open Offer Price”	the offer price of HK\$0.15 per Open Offer Share
“Open Offer Settlement Date”	Wednesday, 17 April 2024 (or such other date as the Underwriter and the Company may agree in writing)

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## DEFINITIONS

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“Open Offer Shares”	the 400,000,000 new Share to be allotted and issued under the Open Offer subject to the conditions set out in the Underwriting Agreement and in the Prospectus
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“Placing Agent”	Metaverse Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO, which will place the Unsubscribed Shares to investors who are Independent Third Parties under the Unsubscribed Arrangements
“Placing Agreement”	the agreement dated 28 December 2023 entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements
“Placing End Date”	4:00 p.m. on Tuesday, 16 April 2024, being the seventh Business Day following and excluding the day on which the Latest Time for Application falls
“Placing Period”	the period from Monday, 15 April 2024 up to 4:00 p.m. on Tuesday, 16 April 2024, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Placing Price”	Not less than HK\$0.15 per Unsubscribed Share
“Posting Date”	Thursday, 21 March 2024, or such other date as the Company may determine and announce for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China (excluding, for the purposes of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Prospectus”	the offering circular to be issued by the Company in relation to the Open Offer which it proposes to register as a prospectus
“Prospectus Documents”	the Prospectus and the Application Form

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## DEFINITIONS

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“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	the date by reference to which assured allotments under the Open Offer are expected to be determined, which is Wednesday, 20 March 2024 or such later date as may be determined and announced by the Company
“Registrar”	Computershare Hong Kong Investor Services Limited), the Company’s Hong Kong branch share registrar and transfer office
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shanghai Yuzheng”	上海聿正投資管理有限公司 Shanghai Yuzheng Investment Management Co., Ltd., a company established under the laws of the PRC on 19 February 2016 with limited liability
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Undertaking Providers”	Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo
“Underwriter”	Many Idea Liujianhui, a company beneficially and wholly owned by Mr. Liu and a substantial shareholder of the Company

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## DEFINITIONS

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“Underwriting Agreement”	the underwriting agreement dated 28 December 2023 and entered into between the Company and the Underwriter in relation to the Open Offer
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.26A(1)(b) of the Listing Rules
“Unsubscribed Shares”	Open Offer Shares that are not subscribed by the Qualifying Shareholders, aggregated fractional Open Offer Shares, and Open Offer Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
“Untaken Offer Shares”	all such Unsubscribed Shares that have not been placed by the Placing Agent or they have been placed but the places have not paid therefore at 4:00 p.m. on the Placing End Date
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Underwriter to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Underwriter and any parties acting in concert with it as a result of the issue of the Open Offer Shares subject to the terms and conditions as set out in this circular
“Xiamen Dream Future”	Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership)* (廈門市湖裏區夢想未來投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 10 July 2015, which was owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu as at the Latest Practicable Date, and one of the Controlling Shareholders

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## DEFINITIONS

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“Xiamen Instant Interactive”	Xiamen Instant Interactive Culture Communication Co., Ltd.* (廈門即刻互動文化傳播有限公司), a company established under the laws of the PRC on 11 May 2021 with limited liability and an indirect wholly owned subsidiary of the Company
“ZJJ Many Idea”	Zhangjiajie Lejian Many Idea Network Technology Centre (Limited Partnership)* (張家界樂見多想網絡科技中心(有限合夥)), a limited partnership established under the laws of the PRC on 4 March 2021 which was owned as to 99% by Mr. Liu and 1% by Ms. Qu, and one of the Controlling Shareholders
“%”	per cent

\* For identification purpose only.

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## EXPECTED TIMETABLE

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The expected timetable for the Open Offer set out below is indicative only and has been prepared on the assumption that the Open Offer, the Underwriting Agreement and the Whitewash Waiver will be approved by the Independent Shareholders at the EGM. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

<b>Event</b>	<b>Date (Hong Kong time)</b>
Latest time for registration of Shares to qualify for attendance and voting at the EGM .....	4:30 p.m. on Monday, 4 March 2024
Closure of register of members of the Company to determine the qualification for attendance and voting at the EGM .....	From Tuesday, 5 March 2024 to Friday, 8 March 2024 (both dates inclusive)
Latest time for lodging proxy forms for the EGM .....	10:00 a.m. on Wednesday, 6 March 2024
Record date for attendance and voting at the EGM .....	Friday, 8 March 2024
Time and date of the EGM .....	10:00 a.m. on Friday, 8 March 2024
Announcement of the poll results of EGM .....	Friday, 8 March 2024
Re-opening of the register of members of the Company .....	Monday, 11 March 2024
Last day of dealings in the Shares on a cum-entitlements basis .....	Monday, 11 March 2024
First day of dealings in the Shares on an ex-entitlements basis .....	Tuesday, 12 March 2024
Latest time for lodging transfers of the Shares in order for the transferees to qualify for the Open Offer .....	4:30 p.m. on Wednesday, 13 March 2024
Closure of register of members to determine the entitlements to the Open Offer (both dates inclusive) .....	From Thursday, 14 March 2024 to Wednesday, 20 March 2024 (both dates inclusive)
Record Date for the Open Offer .....	Wednesday, 20 March 2024
Re-opening of the register of members of the Company .....	Thursday, 21 March 2024

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## EXPECTED TIMETABLE

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Despatch of Prospectus Documents (in case of the Non-Qualifying Shareholders, the Prospectus only) . . . . .	Thursday, 21 March 2024
Latest Time for Application and payment for the Open Offer Shares . . . . .	4:00 p.m. on Tuesday, 9 April 2024
Announcement of the number of the Unsubscribed Shares subject to the Unsubscribed Arrangements . . . . .	Friday, 12 April 2024
Commencement of placing of the Unsubscribed Shares by the Placing Agent, on best effort basis . . . . .	Monday, 15 April 2024
Placing End Date for placing the Unsubscribed Shares . . . . .	4:00 p.m. on Tuesday, 16 April 2024
Latest Time for Termination by the Underwriter . . . . .	4:00 p.m. on Tuesday, 16 April 2024
Open Offer Settlement Date and the Open Offer becomes unconditional . . . . .	4:00 p.m. on Wednesday, 17 April 2024
Announcement of the results of the Open Offer (including the results of placing of the Unsubscribed Shares) . . . . .	Thursday, 18 April 2024
Despatch of certificates for the fully-paid Open Offer Shares . . . . .	Friday, 19 April 2024
Despatch of refund cheques if the Open Offer is terminated . . . . .	Friday, 19 April 2024
First day of dealings in the fully-paid Open Offer Shares . . . . .	9:00 a.m. on Monday, 22 April 2024

### EFFECT OF BAD WEATHER ON THE LATEST TIME FOR APPLICATION

The Latest Time for Application will not take place if a tropical cyclone signal no. 8 or above, or “extreme conditions” caused by super typhoons, or a “black” rainstorm warning, or “extreme conditions” is:

- (i) in force in Hong Kong or announced by the government of Hong Kong (as applicable) at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 9 April 2024, being the date of the Latest Time for Application; instead the Latest Time for Application will be extended to 5:00 p.m. on the same Business Day;

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## EXPECTED TIMETABLE

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- (ii) in force in Hong Kong or announced by the government of Hong Kong (as applicable) at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 9 April 2024, being the date of the Latest Time for Application; instead, the Latest Time for Application will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Application does not take place on Tuesday, 9 April 2024, the dates mentioned above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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### TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter will be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer;
- (ii) any adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs which in the sole and reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the reasonable opinion of the Underwriter will materially and adversely affect the success of the Open Offer and/or the prospects of the Group taken as a whole; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Open Offer.

If prior to the Latest Time for Termination, any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save and except for certain clauses which will remain in full force and effect as set out in the Underwriting Agreement and save further that the Company shall pay the fees and expenses specified in certain clauses under the Underwriting Agreement) will terminate forthwith and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

**If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.**

### WARNING OF THE RISKS OF DEALING IN THE SHARES

**THE OPEN OFFER IS SUBJECT TO CERTAIN CONDITIONS INCLUDING BUT NOT LIMITED TO THE EXECUTIVE GRANTING THE WHITEWASH WAIVER AND APPROVAL OF THE OPEN OFFER AND THE WHITEWASH WAIVER BY THE INDEPENDENT SHAREHOLDERS AT THE EGM. IF THE EXECUTIVE DOES NOT GRANT THE WHITEWASH WAIVER AND THE APPROVAL OF THE OPEN OFFER AND THE WHITEWASH WAIVER BY THE INDEPENDENT SHAREHOLDERS AT THE EGM IS NOT OBTAINED, THE OPEN OFFER WILL NOT PROCEED.**

**ANY SHAREHOLDER OR OTHER PERSON CONTEMPLATING TRANSFERRING, SELLING OR PURCHASING SHARES IS ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES. ANY PERSON WHO IS IN ANY DOUBT ABOUT HIS/HER/ITS POSITION OR ANY ACTION TO BE TAKEN IS RECOMMENDED TO CONSULT HIS/HER/ITS OWN PROFESSIONAL ADVISER(S). ANY SHAREHOLDER OR OTHER PERSON DEALING IN THE SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS TO WHICH THE OPEN OFFER IS SUBJECT ARE FULFILLED WILL ACCORDINGLY BEAR THE RISK THAT THE OPEN OFFER MAY NOT PROCEED.**

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LETTER FROM THE BOARD

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多想雲  
MANY IDEA  
CLOUD

**Many Idea Cloud Holdings Limited**  
**多想雲控股有限公司**

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

**(Stock Code: 6696)**

*Executive Directors:*

Mr. Liu Jianhui

*(Chairman and chief executive officer)*

Ms. Qu Shuo

Mr. Chen Shancheng

Mr. Chen Zeming

*Registered Office:*

Ogier Global (Cayman) Limited

89 Nexus Way, Camana Bay

Grand Cayman, KY1-9009

Cayman Islands

*Non-executive Director:*

Ms. Liu Hong

*Principal Place of Business in Hong Kong:*

2408, World-Wide House

19 Des Voeux Road Central

Central

Hong Kong

*Independent Non-executive Directors:*

Ms. Wang Yingbin

Ms. Wong Yan Ki, Angel

Mr. Tian Tao

Ms. Xiao Huilin

25 January 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED OPEN OFFER ON THE BASIS OF  
ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE;  
(2) CONNECTED TRANSACTION IN RELATION TO THE  
UNDERWRITING AGREEMENT;  
(3) APPLICATION FOR WHITEWASH WAIVER; AND  
(4) NOTICE OF THE EGM**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 28 December 2023 in relation to, among other matters, the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) details of the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) the notice of the EGM.

### PROPOSED OPEN OFFER

The Board proposes to offer by way of the Open Offer to the Shareholders a total of 400,000,000 Open Offer Shares at a price of HK\$0.15 per Open Offer Share. The net proceeds from the Open Offer after deducting related expenses are estimated to be approximately HK\$57.76 million. The Underwriter, a substantial shareholder beneficially holding 130,457,399 Shares, representing approximately 16.31% of the number of Shares in issue as at the Latest Practicable Date, has agreed to underwrite the Untaken Offer Shares on the terms and conditions set out in the Underwriting Agreement.

#### Issue statistics

Basis of the Open Offer:	One (1) Open Offer Share for every two (2) existing Shares held by the Shareholders on the Record Date
Open Offer Price:	HK\$0.15 per Open Offer Share
Number of Shares in issue as at the Latest Practicable Date:	800,000,000 Shares
Number of Open Offer Shares:	400,000,000 Open Offer Shares (assuming no change in the number of issued Shares as at the Latest Practicable Date up to and including the Record Date)
Underwriter:	Many Idea Liujianhui

As at the Latest Practicable Date, no share options have been granted by the Company under any of its share schemes, and the Company has no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares. The Company has no intention to issue any new Shares and any other securities except the Open Offer Shares before completion of the Open Offer. Assuming no changes in the share capital of the Company on or before the Record Date, the number of 400,000,000 Open Offer Shares to be issued pursuant to the Open Offer represent approximately 50.0% of the total number of the existing issued Shares as at the Latest Practicable Date and approximately 33.3% of the total number of issued Shares as enlarged immediately upon the completion of the Open Offer (assuming all the Open Offer Shares will be taken up).

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## LETTER FROM THE BOARD

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### Open Offer Price

The offer price of HK\$0.15 per Open Offer Share, payable in full by a Qualifying Shareholder upon application for the assured allotment of Open Offer Shares under the Open Offer, represents:

- (i) a discount of approximately 34.50% over the closing price of HK\$0.229 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and the Placing Agreement;
- (ii) a discount of approximately 31.19% over the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.218;
- (iii) a discount of approximately 32.43% over the average of the closing prices per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.222;
- (iv) a discount of approximately 23.08% to the theoretical ex-entitlement price of approximately HK\$0.195 per Share based on the closing price of HK\$0.217 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Open Offer Shares;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 11.35% represented by the theoretical diluted price of approximately HK\$0.203 to the benchmarked price of approximately HK\$0.229 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the date of the Underwriting Agreement and the Placing Agreement of HK\$0.229 per Share and the average closing price of the Shares in the five trading days immediately prior to the date of the Announcement of HK\$0.218 per Share); and
- (vi) a discount of approximately 80.31% and 80.44% to the audited and unaudited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2022 and 30 June 2023 of approximately HK\$0.762 and HK\$0.767 per Share, respectively, calculated based on the consolidated net assets of the Group attributable to the Shareholders of approximately RMB544.86 million and RMB565.34 million (equivalent to approximately HK\$609.70 million and HK\$613.39 million based on the exchange rate of RMB1.000 to HK\$1.119 and RMB1.000 to HK\$1.085 as at 31 December 2022 and 30 June 2023, respectively). as at 31 December 2022 and 30 June 2023, respectively, and 800,000,000 Shares then in issue as at both of the aforesaid dates.

The terms of the Open Offer, including the Open Offer Price, were determined by the Board with reference to (i) the prevailing market condition; (ii) the prevailing market prices of the Shares; and (iii) the capital required for the Group's business development as detailed in the section headed "Reasons for the Open Offer and the use of proceeds" below. The Open Offer Shares will be offered to all Shareholders and each Qualifying

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## LETTER FROM THE BOARD

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Shareholder will be entitled to apply for the Open Offer Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date.

The Board notes that it is common practice to set the Open Offer Price at a discount to the prevailing market prices of the relevant Shares to increase the attractiveness and encouraging Shareholders to participate in the Open Offer so as to meet the Company's need for additional funding with reference to the comparison of the terms of the Open Offer (including the Open Offer Price) with other recent open offer exercises for the period from 1 January 2021 to the Last Trading Day. Taking into account (i) the historical closing prices of the Shares exhibiting a general downward trend from the highest closing price of HK\$0.74 on 7 December 2022 to the closing price of HK\$0.217 on the Last Trading Day (i.e. 27 December 2023) during the period from 1 December 2022 to the Last Trading Day; and (ii) the average daily trading volume of the Shares ranging from approximately the highest of 13,622,900 Shares in December 2022 to the lowest of 291,158 Shares in September 2023 during the period from 1 December 2022 to the Latest Practicable Date, representing approximately 0.04% to 1.70% of the total number of issued Shares, respectively, indicating the current thin trading liquidity of the Shares, the Board is of the view that the Open Offer Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole to set the Open Offer Price at a discount of approximately 34.5% to the closing price of its Shares on the date of the Underwriting Agreement and the Placing Agreement in order to attract the Qualifying Shareholders to participate in the Open Offer and to maintain their respective shareholdings in the Company.

In addition, while the Open Offer Price represents a significant discount to the consolidated net asset value per Share attributable to the Shareholders as at 31 December 2022 and 30 June 2023, the Board is of the view that such discount is fair and reasonable in light of the expansion of the business and long-term and sustainable development of the Group which requires continuous input of resources in its assets, particularly intangible assets, such as trademarks, software copyrights and software, as well as cash flows for the development of the Group's principal business and the negative market sentiment and economic uncertainty based on the current market assessment as to the market responses to the Open Offer by the Directors.

Based on the above, the Directors (other than members of the Independent Board Committee) view have been set out in the "Letter from the Independent Board Committee" of this circular after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Open Offer, including the Open Offer Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Open Offer**

The Open Offer is conditional upon (i) the obtaining of the Independent Shareholders' approval at the EGM; (ii) the Whitewash Waiver having been granted to the Underwriter (and such waiver not having been revoked or withdrawn); and (iii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. For details of the conditions of the Underwriting Agreement, please refer to the paragraphs headed "Underwriting arrangement for the Open Offer — Conditions of the Underwriting Agreement" below.

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## LETTER FROM THE BOARD

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### **Basis of assured allotment**

Under the Open Offer, the basis of the assured allotment will be one (1) Open Offer Share for every two (2) existing Shares held by the Shareholders as at the close of business on the Record Date.

### **Fractional assured allotment of the Open Offer Shares**

Open Offer Shares in assured allotment will be rounded down to the nearest whole number. No fractional Open Offer Shares will be issued under the Open Offer. All fractions of Open Offer Shares will be aggregated and first placed by the Placing Agent under the Unsubscribed Arrangements (see details set out in the paragraphs headed "Procedures in respect of the Unsubscribed Shares and the Unsubscribed Arrangements" below) to Independent Third Parties. No odd lot matching services will be provided by the Company in respect of the Open Offer Shares.

### **Closure of register of members**

The register of members of the Company will be closed from Tuesday, 5 March 2024 to Friday, 8 March 2024 (both dates inclusive) to determine the qualification for attendance and voting at the EGM. No transfer of Shares will be registered during this period.

The register of members of the Company will be closed from Thursday, 14 March 2024 to Wednesday, 20 March 2024 (both dates inclusive) to determine entitlements to the Open Offer. No transfer of Shares will be registered during this period.

### **Status of the Open Offer Shares**

The Open Offer Shares, when issued and fully paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and will rank pari passu in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Open Offer Shares.

### **Qualifying Shareholders and Non-Qualifying Shareholders**

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and a Qualifying Shareholder. As at the Latest Practicable Date, the Company has Overseas Shareholders situated in the PRC and the British Virgin Islands.

In order for the transferees to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar (i.e. Computershare Hong Kong Investor Services Limited) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Wednesday, 13 March 2024.

The Company expects to send the Prospectus Documents to Qualifying Shareholders on or before Thursday, 21 March 2024. The Company will, to the extent

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## LETTER FROM THE BOARD

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permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus only, to Non-Qualifying Shareholders for information purposes. The Non-Qualifying Shareholders will not be entitled to any assured allotment under the Open Offer.

Application for all or any part of a Qualifying Shareholder's assured allotment of Open Offer Shares should be made by completing the Application Form and lodging the same with a remittance for the Open Offer Shares being applied for with the Registrar at or before the Latest Time for Application (i.e. 4:00 p.m. on Tuesday, 9 April 2024).

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries regarding the feasibility of extending the Open Offer to Overseas Shareholders under the laws of the relevant overseas jurisdictions and the requirement of the relevant regulatory bodies or stock exchanges. As at the Latest Practicable Date, there were 43 Shareholders holding 557,520,548 Shares in aggregate with registered addresses outside Hong Kong, namely in the PRC and the British Virgin Islands, representing approximately 69.7% of the total issued shares of the Company. Based on the legal opinions obtained by the Company, there is no restriction under the applicable laws of the relevant jurisdiction or requirements of the relevant regulatory body or stock exchange that would limit or restrict the Open Offer and the sending of the Prospectus and the Prospectus Documents to Shareholders with registered addresses in the PRC and the British Virgin Islands to receive Shares under the Open Offer. Accordingly, the Board is of the view that Shareholders with registered addresses in the PRC and the British Virgin Islands will be entitled to receive Shares under the Open Offer and are considered to be Qualifying Shareholders, and therefore the Open Offer will also be extended to the Overseas Shareholders. Further information in this connection will be set out in the Prospectus.

**Overseas Shareholders should note that they may or may not be entitled to participate in the Open Offer, subject to the results of enquiries made by the Company. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.**

### **Procedures in respect of the Unsubscribed Shares and the Unsubscribed Arrangements**

Pursuant to Rule 7.26A(2) of the Listing Rules, as the Underwriter, being a substantial shareholder, shall act as the underwriter of the Open Offer, the Company must make arrangements as stipulated in Rule 7.26A(1)(b) of the Listing Rules to dispose of any Unsubscribed Shares by offering such Unsubscribed Shares to independent placees for the benefit of the relevant No Action Shareholders.

Any Unsubscribed Shares (which comprise (i) the fractional Open Offer Shares aggregated as mentioned above; (ii) the Open Offer Shares that are not subscribed by the

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## LETTER FROM THE BOARD

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Qualifying Shareholders; and/or (iii) Open Offer Shares which would otherwise have been in the assured allotments of the Non-Qualifying Shareholders) will be first placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties, and if not successfully placed out, will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

In order to comply with the Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Shares at the Placing Price. Any unplaced Unsubscribed Shares will then be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

### **Principal terms of the Placing Agreement**

Placing Agent:	Metaverse Securities Limited
Placing commission:	2.5% of the gross proceeds from the subscription of the Unsubscribed Shares successfully placed by the Placing Agent as at the date of Open Offer Completion
Placing Price:	Not less than HK\$0.15 per Unsubscribed Share
Placing Period:	The Placing Period will commence on 15 April 2024 and end on 16 April 2024 or such other dates as the Company may announce, being the period during which the Placing Agent will conduct the Placing.
Placee(s):	<p>The Unsubscribed Shares are expected to be placed to investors, who/which will be professional, institutional, corporate and/or individual investors selected and procured by or on behalf of the Placing Agent on a best effort basis. The Placing Agent will, on a best effort basis, ensure that these placees (or as the case may be, their ultimate beneficial owner(s)) will be Independent Third Parties.</p> <p>For the avoidance of doubt, no placee will become a substantial shareholder.</p>

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## LETTER FROM THE BOARD

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### Conditions of the Placing Agreement

The Placing is conditional upon the fulfilment or waiver, where permitted, of the following conditions precedent:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Open Offer Shares;
- (ii) none of the representations, warranties or undertakings contained herein being or having become untrue, inaccurate or misleading in any material respect at any time before Completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

### Termination of the Placing Agreement

In the event the any conditions precedent above is not fulfilled on or before the Latest Time for Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereto shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breach under the Placing Agreement prior to such termination.

The Placing Agent will, on a best efforts basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties for all (or as many as possible) of the Unsubscribed Shares.

The Placing Agent confirms that it is an Independent Third Party, and that there is no other arrangement, agreement, understanding or undertaking with the Underwriter in relation to the Shares. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Company's Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Because the Company has put in place the above Unsubscribed Arrangements as required by Rule 7.26A(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Open Offer as stipulated under Rule 7.26A(1)(a) of the Listing Rules.

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## LETTER FROM THE BOARD

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### **Share certificates for the Open Offer Shares**

Subject to fulfilment of the conditions of the Open Offer and to its proceeding, share certificates for the fully-paid Open Offer Shares are expected to be posted by Friday, 19 April 2024 to those entitled thereto by ordinary post at their own risks. If the Open Offer is terminated, refund cheques are expected to be despatched on or before Friday, 19 April 2024 by ordinary post at the respective Shareholders' own risk.

### **Application for listing of the Open Offer Shares**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Open Offer Shares on the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, the Open Offer Shares on the Stock Exchange, the Open Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Open Offer Shares on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stock brokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Open Offer Shares will be subject to the payment of stamp duty and other applicable fees and charges in Hong Kong.

### **IRREVOCABLE UNDERTAKINGS**

As at the Latest Practicable Date, the Undertaking Providers are interested in an aggregate of 258,367,381 Shares (representing approximately 32.30% of the entire issued share capital of the Company as at the Latest Practicable Date).

Pursuant to the Irrevocable Undertakings, the Undertaking Providers have irrevocably undertaken to the Company (i) to apply and pay for or to procure their respective associates (as defined under the Listing Rules) to apply and pay for all Open Offer Shares which will be in the assured allotment of Open Offer Shares in respect of the 258,367,381 Shares beneficially owned by them; (ii) that they will remain to be the beneficial owners of the 258,367,381 Shares at the close of business on the Record Date; (iii) to procure that the application for the Open Offer Shares will be lodged with the Registrar or the Company, in accordance with the terms of the Prospectus Documents, provided that the Whitewash Waiver having been granted by the Executive prior to the Posting Date and not having been revoked or withdrawn; and (iv) that they will not, and will procure their respective associates that they will not, without first having obtained prior written consent of the Company transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share (except the application of the Open Offer Shares under the assured allotment of the Open Offer Shares under the Open Offer) or any interest therein between the date of the Irrevocable Undertakings and the Record Date.

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## LETTER FROM THE BOARD

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### THE UNDERWRITING ARRANGEMENT FOR THE OPEN OFFER

#### Principal terms of the Underwriting Agreement

Date: 28 December 2023

Parties: (i) The Company; and  
(ii) The Underwriter, being the underwriter to the Open Offer

The Underwriter is a substantial shareholder of the Company which beneficially holds 130,457,399 Shares, representing approximately 16.31% of the entire issued share capital of the Company as at the Latest Practicable Date. As such, the Underwriter complies with Rule 7.19(1)(b) of the Listing Rules. The Underwriter is an investment holding company and is not engaged in the business of underwriting securities.

Number of Open Offer Shares underwritten: All such Unsubscribed Shares that have not been placed by the Placing Agent or they have been placed but the placees have not paid therefor at 4:00 p.m. on the Placing End Date

Commission: Nil

The Underwriter's obligation to make a general offer under the Takeovers Code may be triggered as a result of the acceptance by the Underwriter and/or the parties acting in concert with it of the Unsubscribed Shares allotted to them under the Open Offer when there is an undersubscription of the Open Offer. The Underwriter has applied to the Executive for the Whitewash Waiver as detailed in the section headed "Application for Whitewash Waiver" below. As disclosed in the paragraph headed "Proposed Open Offer — Conditions of the Open Offer" above, it is a condition of the Open Offer to have the Executive having granted the Whitewash Waiver to the Underwriter (and such grant not having been withdrawn or revoked).

#### Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the fulfilment or waiver, where permitted, of the following conditions precedent:

- (i) the passing by the Independent Shareholders at the EGM of (i) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreement, the Open Offer and the transactions contemplated thereunder; and (ii) a special resolution to approve the Whitewash Wavier (at least 75% of the

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## LETTER FROM THE BOARD

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Independent Shareholders at the EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code, respectively;

- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders by the Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Open Offer Shares by no later than the first day of their dealings;
- (v) compliance with the requirements under the applicable laws and regulations of Hong Kong and Cayman Islands;
- (vi) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (vii) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms; and
- (viii) the compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertakings.

None of the conditions precedent above is capable of being waived by any party to the Underwriting Agreement. If the conditions precedent above are not satisfied by the Latest Time for Termination (or such later date or dates as the Underwriter and the Company may agree in writing), the Underwriting Agreement will terminate and all liabilities of the parties to the Underwriting Agreement will terminate and, save in respect of certain provisions and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination, neither party will have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches. As at the Latest Practicable Date, none of the above conditions precedent has been fulfilled.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE PARTIES

#### Information on the Group

The Group is principally engaged in the provision of integrated marketing solutions services in the PRC. The Group's integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. Content marketing uses content as the carrier and integrates advertisements of brand customers into various events and videos to achieve marketing purposes. It can be divided into two broad categories: event content marketing and digital content marketing. Among event content marketing, sports content marketing relies on sports events such as marathons and street dancing for marketing purposes.

#### Information on the Underwriter and Mr. Liu

The Underwriter is an investment holding company incorporated in the British Virgin Islands on 28 May 2021 and is wholly-owned by Mr. Liu. It is one of the Controlling Shareholders. Mr. Liu is the founder, chairman of the Board, chief executive officer, executive Director, one of the Controlling Shareholders and the spouse of Ms. Qu.

It is the intention of the Underwriter and Mr. Liu to continue carrying on the principal businesses of the Group and to continue the employment of the employees of the Group, and they have no intention to introduce any major changes to the businesses of the Group including redeployment of the fixed assets of the Group.

#### Information on the Placing Agent

Metaverse Securities Limited, being the Placing Agent, is corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO.

### REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

#### Use of proceeds

The gross proceeds from the Open Offer are expected to be approximately HK\$60.0 million. The net proceeds from the Open Offer after deducting related expenses are estimated to be approximately HK\$57.76 million. The net price per Open Offer Share is expected to be approximately HK\$0.144. The Company intends to apply the net proceeds from the Open Offer as follows:

- (i) approximately HK\$51.98 million for purchasing media resources, in particular, the online traffic from TikTok for the Group's customers to place advertisements via the new TikTok distribution channel (the "**TikTok Distribution Channel**"), and promotion of the TikTok Distribution Channel; and
- (ii) approximately HK\$5.78 million as general working capital of the Company.

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## LETTER FROM THE BOARD

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Reference is made to the announcement (the “**Announcement**”) of the Company dated 14 December 2023 in relation to the discloseable transaction relation to the formation of a joint venture and the change in use of proceeds from the Global Offering (the “**Net Proceeds**”). As stated in the Announcement, approximately HK\$84.8 million originally allocated for scaling up the Group’s IP contents portfolio and expanding its integrated marketing solutions business had already been fully utilised as at 30 November 2023, and the Group has decided to re-allocate approximately HK\$34.2 million of the unutilised Net Proceeds to expand its IP content portfolio and its integrated marketing solutions business (the “**Re-allocated Unutilised Proceeds**”).

As at the Latest Practicable Date, the Re-allocated Unutilised Proceeds had not been utilised. In March 2023, to strengthen its cooperation with the leading media platform, TikTok, the Group has entered into a strategic partnership with TikTok to launch the TikTok Distribution Channel to become the first-tier agent of TikTok. As a result, the Group’s revenue from its integrated marketing services, in particular, the digital marketing services has been growing steadily since the first half of 2023. Since the launch of the TikTok Distribution Channel, the Group has been receiving positive feedback and recognition from its customers, and has received an unexpected surge in the number of orders from its customers for placing advertisements through such channel, exceeding the expectation of the management of the Company. Based on the operational data of the Group for the nine months ended 30 November 2023, the number of orders received by the Group in respect of utilising the TikTok Distribution Channel has been growing exponentially with orders amounted to approximately RMB72.2 million received on average per month. In particular, for the three months ended 30 November 2023, the Group had received orders amounting to approximately RMB100.0 million on average each month from its customers for advertising via such channel. To cater such substantial and persistent demand from the Group’s customers, the Company intends to purchase additional advertising resources from TikTok, in particular, its online traffic (i.e. number of visits by TikTok users to be directed to designated advertisements/websites via the TikTok Distribution Channel). The TikTok Distribution Channel provides online traffic based on the preferences or needs of TikTok users with reference to their activities on the TikTok platform, and allows advertisements placed by the Group’s customers, utilising TikTok’s online traffic, to appear and be suggested to TikTok users, such that advertisements would be able to reach their target audience, and the TikTok users would be directed to the websites as designated by the Group’s customers. In view of the successful debut of the TikTok Distribution Channel, the Company also sees a promising prospect of the TikTok Distribution Channel and expects the TikTok Distribution Channel business to continue to grow, and thus intends to invest more marketing efforts in promoting the TikTok Distribution Channel to accelerate the development of such channel so as to capitalise on the prevailing market trend.

Further, as stated in the Announcement, the Company, through its indirect wholly-owned subsidiary, Xiamen Instant Interactive, has entered into a cooperation agreement with Shanghai Yuzheng on 14 December 2023 in relation to the formation of a joint venture company (the “**JV Company**”), pursuant to which, among others, Xiamen Instant Interactive has committed to make a capital contribution of RMB47 million in cash to the JV Company. According to the aforesaid agreement, such capital contribution has to be made by Xiamen Instant Interactive by May 2024. In view of such existing obligation of

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## LETTER FROM THE BOARD

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making capital contribution to the JV Company, the Company has decided to re-allocate approximately HK\$51.6 million of the unutilised Net Proceeds to the establishment of the JV Company to satisfy such imminent funding need instead of re-allocating such portion of unutilised Net Proceeds to the development of the TikTok Distribution Channel business, which has been financed by the Group's internal resources and bank borrowings.

In light of the above, to capture the unexpected escalating demand for the digital marketing services of the Group mainly attributable to the launch of the TikTok Distribution Channel earlier this year, especially the plan to form such strategic partnership with TikTok, and thus the launch of such channel was not emerged at the time when the Company was formulating its future plans and use of proceeds as set out in the prospectus of the Company dated 28 October 2022, the Directors are of the view that it is justifiable for the Group to allocate a substantial amount of net proceeds from the Open Offer to further invest resources in such business segment in addition to the Re-allocated Unutilised Proceeds to fuel the expected growth of the Group's business in light of the emerging trend of utilising prevailing online marketing tools, including TikTok, in the PRC.

Save as disclosed above, as at the Latest Practicable Date, the Company had no intention and was not in the course of any discussion or negotiation to conduct any further fundraising activities for the development of the TikTok Distribution Channel. However, the Board cannot rule out the possibility that the Company will conduct further fundraising exercises when suitable fundraising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

### **Alternative fundraising methods**

The Company has considered alternative fundraising methods which included debt financing, placing of new Shares and rights issue. The Board is of the view that debt financing would result in additional finance costs and increase the Group's liabilities burden. The Board also considers that debt financing is not an appropriate option to obtain additional funds. The Board is also of the view that placing of new Shares (i) would only be available to certain placees who may not necessarily be existing Shareholders and would dilute the shareholding of existing Shareholders; and (ii) may raise funds in a relatively larger size in light of the funding needs set out above.

Although a rights issue, as compared to an open offer, can provide an additional option to those Shareholders who do not wish to take up their entitlements by selling their entitled nil-paid rights, the Board is of the view that a rights issue involving the trading of nil-paid rights would incur extra administrative work and cost on the part of the Company for preparation, printing, posting and processing of trading arrangements in relation to the nil-paid rights. The Company will also incur additional resources to administer the trading of the nil-paid rights including communication between the Company and other parties, such as the Registrar or financial printer engaged by the Company. In addition, since the average daily trading volume of the Shares over the past

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## LETTER FROM THE BOARD

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six months of 2023 had been relatively low, there would be a relatively high uncertainty of the existence of an active market to trade the nil-paid rights. Having considered the extra administrative work and additional cost to be involved in the trading arrangements of nil-paid rights and in view of the aforesaid relatively inactive historical trading volumes of the Shares, the Board considers that raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

In view of the above, the Directors do not consider that debt financing or equity fundraising methods by way of placing of new shares or rights issue would be in the overall interests of the Company and its Shareholders. The Directors consider the Open Offer to be an appropriate method to raise the necessary funding which will provide all Qualifying Shareholders the right to participate in the new share issue by the Company in proportion to their shareholding in the Company should they wish to do so. It is prudent to finance the Group's long-term business development by long-term financing, in the form of Open Offer which will not increase the Group's finance costs.

The Board believes that it would be in the interest of the Company to raise equity funding via the Open Offer to facilitate long-term development of the Group and to save financial costs to be incurred for the Company's funding needs. In addition, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Shareholders (other than the Non-Qualifying Shareholders) to participate in the growth of the Company in proportion to their shareholdings.

Having considered the above, the Directors (excluding the members of the Independent Board Committee whose view have been set out in the "Letter from the Independent Board Committee" of this circular after having reviewed the advice from the Independent Financial Adviser) consider that the terms of the Open Offer are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **FUNDRAISING EXERCISE IN THE PRECEDING TWELVE-MONTH PERIOD**

The Company has not conducted any fundraising activity in the past twelve months immediately preceding the Latest Practicable Date.

## LETTER FROM THE BOARD

### EFFECT OF THE OPEN OFFER ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

	(i) As at the Latest Practicable Date		(ii) Immediately upon the Open Offer Completion assuming full acceptance by all Qualifying Shareholders under the Open Offer		(iii) Immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Underwriter, Mr. Liu and the parties acting in concert with them) under the Open Offer; and (b) all the Unsubscribed Shares were placed to Independent Third Parties under the Unsubscribed Arrangements		(iv) Immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Underwriter, Mr. Liu and the parties acting in concert with them) under the Open Offer; and (b) no Independent Third Parties took up the Unsubscribed Shares such that all the Unsubscribed Shares were taken up by the Underwriter	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
The Underwriter <sup>(1), (3)</sup>	130,457,399	16.31	195,686,099	16.31	195,686,099	16.31	466,502,408	38.88
Xiamen Dream Future <sup>(2), (3)</sup>	126,330,885	15.79	189,496,328	15.79	189,496,328	15.79	189,496,328	15.79
Many Idea Qushuo <sup>(3), (4)</sup>	1,579,097	0.20	2,368,645	0.20	2,368,645	0.20	2,368,645	0.20
<b>Subtotal</b>	<b>258,367,381</b>	<b>32.30</b>	<b>387,551,072</b>	<b>32.30</b>	<b>387,551,072</b>	<b>32.30</b>	<b>658,367,381</b>	<b>54.87</b>
<i>Directors<sup>(5)</sup></i>								
Mr. Chen Shancheng <sup>(6)</sup>	15,119,887	1.89	22,679,830	1.89	15,119,887	1.26	15,119,887	1.26
Mr. Chen Zeming <sup>(7)</sup>	1,963,278	0.25	2,944,917	0.25	1,963,278	0.16	1,963,278	0.16
<b>Subtotal (the Underwriter, Mr. Liu, the parties acting in concert with them and Directors)</b>	<b>275,450,546</b>	<b>34.44</b>	<b>413,175,819</b>	<b>34.44</b>	<b>404,634,237</b>	<b>33.72</b>	<b>675,450,546</b>	<b>56.29</b>
Independent placees	-	-	-	-	270,816,309	22.57	-	-
Other public Shareholders	524,549,454	65.56	786,824,181	65.56	524,549,454	43.71	524,549,454	43.71
<b>Total</b>	<b>800,000,000</b>	<b>100.00</b>	<b>1,200,000,000</b>	<b>100.00</b>	<b>1,200,000,000</b>	<b>100.00</b>	<b>1,200,000,000</b>	<b>100.00</b>

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## LETTER FROM THE BOARD

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*Notes:*

1. The Underwriter is an investment holding company beneficially and wholly owned by Mr. Liu. Under the Takeovers Code, Mr. Liu is a party acting in concert with the Underwriter by virtue of his shareholding in the Underwriter. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Underwriter.
2. Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
3. Mr. Liu is the spouse of Ms. Qu. Each of Mr. Liu and Ms. Qu is deemed to be interested in the Shares held by one another by virtue of the SFO.
4. Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.
5. Save as disclosed in this table, no other Director held Shares as at the Latest Practicable Date.
6. Under the Takeovers Code, Mr. Chen Shancheng is a director of the Company and is presumed to be acting in concert with the Underwriter under class (6) of the definition of “acting in concert”.
7. Under the Takeovers Code, Mr. Chen Zeming is a director of the Company and is presumed to be acting in concert with the Underwriter under class (6) of the definition of “acting in concert”.

As illustrated above, if no Qualifying Shareholders take up the Open Offer Shares and no Unsubscribed Shares can be placed to independent placees, upon the Open Offer Completion, (i) the shareholding of the existing public Shareholders would be reduced from approximately 65.56% as at the Latest Practicable Date to approximately 43.71% of the enlarged issued share capital of the Company, and (ii) the shareholding of the Underwriter, Mr. Liu and the parties acting in concert with them would be increased from approximately 32.30% as at the Latest Practicable Date to approximately 54.87%.

The Underwriter has undertaken to the Company under the Underwriting Agreement that if the subscription for the Unsubscribed Shares by the Underwriter pursuant to the Underwriting Agreement will result in insufficient public float of the Company within the meaning of the Listing Rules, the Underwriter will, subject to compliance with the Takeovers Code, take all appropriate steps including but not limited to the engagement of a placing agent to procure subscribers (who are Independent Third Parties) to subscribe for the Shares which would otherwise be required to be taken up by the Underwriter under the Underwriting Agreement in order to restore the minimum public float requirement of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

### **TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR THE WHITEWASH WAIVER**

As at the Latest Practicable Date, the Underwriter and its beneficial owner, Mr. Liu, together with the parties acting in concert with any of them beneficially owned in aggregate 258,367,381 Shares, representing approximately 32.30% of the entire issued share capital of the Company.

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## LETTER FROM THE BOARD

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Assuming (i) there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of close of the Open Offer; (ii) none of the Qualifying Shareholders other than the Underwriter, Mr. Liu and the parties acting in concert with them have taken up their entitlements under the Open Offer; and (iii) none of the Unsubscribed Shares have been taken up under the Unsubscribed Arrangement, the interests in the Company held by the Underwriter, Mr. Liu and the parties acting in concert with them upon the close of the Open Offer will increase from the current level of approximately 32.30% to approximately 54.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Open Offer Shares. The Underwriter and Mr. Liu will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code.

An application has been made by the Underwriter and Mr. Liu to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, among other things, the approval by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll, and the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder would be subject to, among others, the approval by more than 50% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll, respectively.

If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders, and assuming no Open Offer Shares are taken up by the Qualifying Shareholders (other than those to be taken up by the Underwriter pursuant to the Underwriting Agreement) and no Unsubscribed Shares are successfully placed under the Unsubscribed Arrangements, **the shareholding of the Underwriter and parties acting in concert with it in the Company will exceed 50%. The Underwriter and parties acting in concert with it may increase their shareholding without incurring any further obligation under Rule 26 of the Takeovers Code to make a general offer for the securities of the Company.**

As at the Latest Practicable Date, the Company believed that the Open Offer would not give rise to any concern in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Open Offer, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder and the Whitewash Waiver do not comply with other applicable rules and regulations.

The Directors (excluding the non-executive Director and independent non-executive Directors whose view have been set out in the "Letter from the Independent Board Committee" of this circular after having reviewed the advice from the Independent Financial Adviser) consider that the Whitewash Waiver is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Underwriter, Mr Liu, parties acting in concert with any of them (including the Undertaking Providers and those by virtue of the class (6) presumption under the

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## LETTER FROM THE BOARD

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definition of “acting in concert” under the Takeovers Code (i.e. Mr. Chen Shancheng and Mr. Chen Zeming)) and those who are involved in or interested in the Open Offer, the Underwriting Agreement and the Whitewash Waiver will abstain from voting on the proposed resolutions approving the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder under the Takeovers Code. Save as aforesaid, no other Shareholder is required to abstain from voting in favour of the proposed resolutions approving the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder at the EGM.

### **LISTING RULES IMPLICATIONS**

#### **Open Offer**

As the Open Offer Shares are not issued pursuant to the general mandate of the Company, in accordance with Rule 7.24A(1) of the Listing Rules, among other things, the Open Offer must be made conditional on approval by the Independent Shareholders at the EGM and, pursuant to Rule 7.27A(1) of the Listing Rules, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (other than the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Open Offer. As such, Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo as a group of Controlling Shareholders of the Company and their respective associates shall abstain from voting in favour of the resolutions to approve the Open Offer at the EGM.

#### **Connected transactions in relation to the Underwriting Agreement**

As at the Latest Practicable Date, the Underwriter (which is wholly owned by Mr. Liu) owned 130,457,399 Shares, representing approximately 16.31% of the number of Shares in issue. The Underwriter is a substantial shareholder of the Company and therefore a connected person of the Company. Accordingly, the transaction contemplated under the Underwriting Agreement constitutes a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Underwriter and its associates will abstain from voting in favour of the resolution(s) in relation to the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

### **DIRECTORS’ INTERESTS IN THE OPEN OFFER, THE UNDERWRITING AGREEMENT AND THE WHITEWASH WAIVER**

As (i) the Underwriter is wholly-owned by Mr. Liu, an executive Director and the chief executive officer of the Company, and (ii) in addition to her capacity as an executive Director, Ms. Qu, as the spouse of Mr. Liu, is an associate of Mr. Liu, as at the Latest Practicable Date, Mr. Liu and Ms. Qu are considered to have material interests in the Open Offer and the Underwriting Agreement. As such, Mr. Liu and Ms. Qu have abstained from voting on the board resolutions to approve the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder. Save for Mr. Liu

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## LETTER FROM THE BOARD

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and Ms. Qu, none of the Directors hold any Shares or has any material interest in the Open Offer, the Underwriting Agreement, the Whitewash Waiver and/or the transactions contemplated thereunder.

### GENERAL

#### **Independent Board Committee**

An Independent Board Committee, comprising the non-executive Director and all independent non-executive Directors, namely Ms. Liu Hong, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin, in compliance with Rule 2.8 of the Takeovers Code, has been established to advise the Independent Shareholders as to whether the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and whether the Open Offer, the Underwriting Agreement and the Whitewash Waiver are in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

#### **Independent Financial Adviser**

Rainbow Capital (HK) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and to advise the Independent Shareholders on how to vote. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

### EGM

The EGM will be held by the Company at 12/F, ERKE Group Mansion, 11 Hualien Road, Siming District, Xiamen, the PRC, on 8 March 2024 at 10:00 a.m. at which two resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver and the transactions contemplated thereunder. The resolution in relation to the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder requires the approval by at least 50% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll, whereas the resolution in relation to the Whitewash Waiver requires the approval by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll. A notice convening the EGM is set forth on pages 109 to 112 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less

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## LETTER FROM THE BOARD

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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 you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

The Underwriter, Mr Liu, and parties acting in concert with any of them (including the Undertaking Providers, Mr. Chen Shancheng and Mr. Chen Zeming) who are involved in or interested in the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver will abstain from voting on the resolutions to approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver at the EGM. The total number of Shares which is required to abstain from voting on the resolutions to approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver at the EGM is approximately 275,450,546, representing approximately 34.44% of the total number of issued Shares of the Company as at the Latest Practicable Date.

In accordance with the Listing Rules and the Takeovers Code, the resolution(s) (i) in relation to the Whitewash Waiver is required to be approved by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll; and (ii) in relation of the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder is required to be approved by more than 50% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, all the proposed resolutions 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 the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

### RECOMMENDATIONS

The Directors (excluding the members of the Independent Board Committee whose view have been set out in the "Letter from the Independent Board Committee" of this circular after having reviewed the advice from the Independent Financial Adviser) consider that the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### WARNING OF THE RISKS OF DEALING IN THE SHARES

**SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT THE OPEN OFFER IS CONDITIONAL UPON, AMONG**

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## LETTER FROM THE BOARD

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OTHERS, CONDITIONS PRECEDENT AS SET OUT IN SECTION HEADED “CONDITIONS OF THE OPEN OFFER” ABOVE. ACCORDINGLY, THE OPEN OFFER MAY OR MAY NOT PROCEED.

ANY DEALINGS IN THE SHARES FROM THE DATE OF THIS CIRCULAR UP TO THE DATE ON WHICH ALL THE CONDITIONS OF THE OPEN OFFER ARE FULFILLED WILL BEAR THE RISK THAT THE OPEN OFFER MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE IN CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

### FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 36 and 37 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM and the letter from the Independent Financial Adviser set out on pages 38 to 72 of this circular which contains its advice to the Independent Board Committee and Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

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

By order of the Board  
**Many Idea Cloud Holdings Limited**  
**Liu Jianhui**  
*Chairman of the Board*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the Open Offer, the Underwriting Agreement and the Whitewash Waiver.*



**多想雲**  
MANY IDEA  
CLOUD

### **Many Idea Cloud Holdings Limited** **多想雲控股有限公司**

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

**(Stock Code: 6696)**

25 January 2024

*To the Independent Shareholders*

Dear Sir or Madam,

**(1) PROPOSED OPEN OFFER ON THE BASIS OF  
ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE;  
(2) CONNECTED TRANSACTION IN RELATION TO THE  
UNDERWRITING AGREEMENT;  
(3) APPLICATION FOR WHITEWASH WAIVER; AND  
(4) NOTICE OF THE EGM**

We refer to the circular of the Company dated 25 January 2024 (the “Circular”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise the Independent Shareholders as to whether the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise you and us in this respect.

We wish to draw your attention to (i) the letter of advice from Rainbow Capital (HK) Limited as set out on pages 38 to 72 of this circular; and (ii) the letter from the Board as set out on pages 14 to 35 of this circular and the additional information set out in the appendices to the Circular.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having taken into account the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser, we are of the opinion that the Open Offer, the Underwriting Agreement and the Whitewash Waiver are on normal commercial terms, are in the interests of the Company and the Independent Shareholders as a whole, and the terms of which are fair and reasonable insofar as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

Yours faithfully,

For and on behalf of

the Independent Board Committee of

**Many Idea Cloud Holdings Limited**

**Ms. Liu Hong**  
*Non-executive Director*

**Ms. Wang Yingbin**

**Ms. Wong Yan Ki, Angel**

**Mr. Tian Tao**

**Ms. Xiao Huilin**

*Independent non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, in relation to the Open Offer, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder, and the Whitewash Waiver which has been prepared for the purpose of inclusion in this circular.*



RAINBOW CAPITAL (HK) LIMITED  
灑 博 資 本 有 限 公 司

25 January 2024

*To: the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

**(1) PROPOSED OPEN OFFER ON THE BASIS OF  
ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE;  
(2) CONNECTED TRANSACTION IN RELATION TO THE  
UNDERWRITING AGREEMENT; AND  
(3) APPLICATION FOR WHITEWASH WAIVER**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Open Offer, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder, and the Whitewash Waiver, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 25 January 2024 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

With reference to the Letter from the Board, the Board proposes to offer by way of the Open Offer to the Shareholders a total of 400,000,000 Open Offer Shares at a price of HK\$0.15 per Open Offer Share on the basis of one (1) Open Offer Share for every two (2) existing Shares held by the Shareholders on the Record Date. The net proceeds from the Open Offer after deducting related expenses are estimated to be approximately HK\$57.76 million.

The Open Offer is conditional upon (i) the obtaining of the Independent Shareholders’ approval at the EGM; (ii) the Whitewash Waiver having been granted to the Underwriter (and such waiver not having been revoked or withdrawn); and (iii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In order to comply with the Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Shares at the Placing Price. Any unplaced Unsubscribed Shares will then be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

On 28 December 2023, the Underwriter, a substantial shareholder beneficially holding 130,457,399 Shares, representing approximately 16.31% of the number of Shares in issue as at the Latest Practicable Date, has entered into the Underwriting Agreement with the Company, pursuant to which the Underwriter has conditionally agreed to fully underwrite the Untaken Offer Shares, being all the Unsubscribed Shares that have not been placed by the Placing Agent or they have been placed but the places have not paid therefore at 4:00 p.m. on the Placing End Date.

### **Listing Rules Implications**

As the Open Offer Shares are not issued pursuant to the general mandate of the Company, in accordance with Rule 7.24A(1) of the Listing Rules, among other things, the Open Offer must be made conditional on approval by the Independent Shareholders at the EGM and, pursuant to Rule 7.27A(1) of the Listing Rules, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (other than the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Open Offer. As such, Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo as a group of Controlling Shareholders of the Company and their respective associates shall abstain from voting in favour of the resolutions to approve the Open Offer at the EGM.

As at the Latest Practicable Date, the Underwriter (which is wholly owned by Mr. Liu) owns 130,457,399 Shares, representing approximately 16.31% of the number of Shares in issue. The Underwriter is a substantial shareholder of the Company and therefore a connected person of the Company. Accordingly, the transaction contemplated under the Underwriting Agreement constitutes a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Underwriter and its associates will abstain from voting in favour of the resolution(s) in relation to the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

### **Takeovers Code Implications**

As at the Latest Practicable Date, the Underwriter and its beneficial owner, Mr. Liu, together with the parties acting in concert with any of them beneficially own in aggregate 258,367,381 Shares, representing approximately 32.30% of the entire issued share capital of the Company.

Assuming (i) there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of close of the Open Offer; (ii) none of the Qualifying Shareholders other than the Underwriter, Mr. Liu and the parties acting in

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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concert with them have taken up their entitlements under the Open Offer; and (iii) none of the Unsubscribed Shares have been taken up under the Unsubscribed Arrangement, the interests in the Company held by the Underwriter, Mr. Liu and the parties acting in concert with them upon the close of the Open Offer will increase from the current level of approximately 32.30% to approximately 54.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Open Offer Shares. The Underwriter and Mr. Liu will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code.

An application has been made by the Underwriter and Mr. Liu to the Executive for the Whitewash Waiver. The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, among other things, (i) the approval by at least 75% of the Independent Shareholders at the EGM either in person or by proxy by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM either in person or by proxy by way of poll in respect of the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder. The Underwriter, Mr. Liu and the parties acting in concert with them (including the Undertaking Providers and those by virtue of the class (6) presumption under the definition of “acting in concert” under the Takeovers Code (i.e. Mr. Chen Shancheng and Mr. Chen Zeming)) will abstain from voting on the proposed resolution approving the Whitewash Waiver under the Takeovers Code. Save as aforesaid, no Shareholder is required to abstain from voting in favour of the proposed resolution approving the Whitewash Waiver at the EGM. If the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Open Offer will not proceed.

### **Independent Board Committee**

The Company has established the Independent Board Committee, comprising the non-executive Director and all the independent non-executive Directors, namely Ms. Liu Hong, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin to advise the Independent Shareholders in respect of the Open Offer, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver, and as to voting. Pursuant to Rule 2.8 of the Takeovers Code, members of the independent committee should comprise all non-executive Directors who have no direct or indirect interest in the Whitewash Waiver other than as a Shareholder. Each of Ms. Liu Hong, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin has no involvement and no direct or indirect interests in the Open Offer, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver, and is therefore eligible to be a member of the Independent Board Committee. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard and such appointment has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

We are not associated or connected financially or otherwise with the Company, the Underwriter, their respective substantial shareholders and professional advisers, or any party acting, or presumed to be acting, in concert with any of them. In the last two years, there was no engagement or connection between the Group or the Underwriter on one

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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hand and us on the other hand. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we will receive any fees or benefits from the Company, the Underwriter, their respective substantial shareholders and financial or other professional advisers, or any party acting, or presumed to be acting, in concert with any of them. As such, we are qualified to give independent advice to the Independent Board Committee in respect of the Open Offer, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder, and the Whitewash Waiver pursuant to Rule 2.6 of the Takeovers Code.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have considered, among other things, (i) the information and facts contained or referred to in this Circular; (ii) the information and opinions provided by the Directors and the management of the Group; and (iii) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Circular were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Circular are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in this Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in this Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the Latest Practicable Date.

Shareholders will be informed by the Group and us as soon as possible if there is any material change to the information disclosed in this Circular during the period from the Latest Practicable Date up to the date of the EGM, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Underwriter or any of their respective subsidiaries and associates.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Open Offer, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver, we have taken into account the following principal factors and reasons:

#### 1. Background of the Group

As stated in the Letter from the Board, the Group is principally engaged in the provision of integrated marketing solutions services in the PRC. The Group's integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) software as a service ("SaaS") interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising, which accounted for approximately 45.2%, 7.1%, 32.0%, 2.7% and 13.0% of the Group's revenue for the six months ended 30 June 2023, respectively. Content marketing uses content as the carrier and integrates advertisements of brand customers into various events and videos to achieve marketing purposes. Digital marketing services generally include the provision of advertisement and marketing services online (such as video and social media platforms).

##### (i) Financial performance

Set out below is a summary of (a) the audited financial information of the Group for the years ended 31 December 2021 and 2022 ("FY2021" and "FY2022", respectively) as extracted from the annual report of the Company for FY2022 (the "2022 Annual Report"); and (b) the unaudited financial information of the Group for the six months ended 30 June 2022 and 2023 ("6M2022" and "6M2023", respectively) as extracted from the interim report of the Company for 6M2023 (the "2023 Interim Report"):

	FY2021	FY2022	6M2022	6M2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(unaudited)	(unaudited)
<b>Revenue</b>	<b>353,300</b>	<b>498,329</b>	<b>198,356</b>	<b>287,607</b>
– Integrated Marketing Services	342,719	450,850	181,768	267,113
– Content marketing services	188,164	273,176	102,617	130,142
– Digital marketing services	87,950	102,007	47,713	91,896
– Public relations event planning services	25,434	17,536	5,659	7,825
– Media advertising services	41,171	58,131	25,779	37,250
– SaaS Interactive Marketing Services	10,581	47,479	16,588	20,494

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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	FY2021 RMB'000 (audited)	FY2022 RMB'000 (audited)	6M2022 RMB'000 (unaudited)	6M2023 RMB'000 (unaudited)
Cost of revenue	(238,764)	(318,699)	(133,254)	(232,942)
<b>Gross profit</b>	<b>114,536</b>	<b>179,630</b>	<b>65,102</b>	<b>54,665</b>
Gross profit margin	32.4%	36.0%	32.8%	19.0%
Other revenue	8,505	9,254	3,185	4,114
Other gains and losses	1,409	(3,436)	(2,596)	(1,059)
Selling and marketing expenses	(9,969)	(6,778)	(3,279)	(3,914)
Administrative expenses	(16,913)	(30,493)	(9,884)	(11,635)
Provision for impairment loss on trade receivables and other financial assets, net	(5,758)	(24,844)	(16,331)	(18,469)
Finance costs	(3,787)	(10,419)	(5,859)	(443)
Listing expenses	(8,655)	(22,183)	(5,240)	–
<b>Profit before income tax expense</b>	<b>79,368</b>	<b>90,731</b>	<b>25,098</b>	<b>23,259</b>
Income tax expense	(14,627)	(23,031)	(5,616)	(2,784)
<b>Profit attributable to the Shareholders</b>	<b>56,146</b>	<b>67,724</b>	<b>19,495</b>	<b>20,493</b>

*FY2022 compared to FY2021*

For FY2022, the Group's revenue was approximately RMB498.3 million, representing an increase of approximately 41.0% from approximately RMB353.3 million for FY2021. Such increase was mainly due to the Group's persistent business expansion efforts and improved reputation among existing and potential customers. The Group's gross profit margin increased from approximately 32.4% for FY2021 to approximately 36.0% for FY2022, mainly due to the increase in gross profit margin of SaaS interactive marketing services given that a major part of SaaS costs was the amortisation of intangible costs which is fixed in nature.

The Group's profit attributable to the Shareholders increased by approximately 20.6% from approximately RMB56.1 million for FY2021 to approximately RMB67.7 million for FY2022. Such increase was primarily attributable to the increase in revenue and gross profit margin as mentioned above, which was partially offset by (a) the increase in administrative expenses by approximately RMB13.6 million primarily attributable to an increase in R&D costs during the year; (b) the increase in provision for impairment loss on trade receivable and other financial assets by approximately RMB19.1 million, primarily due to the increase in trade receivables which was mainly due to substantial increase in revenue, leading to an increase in provision for bad debts; and (c) the increase in listing expenses by approximately RMB13.5 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *6M2023 compared to 6M2022*

For 6M2023, the Group's revenue was approximately RMB287.6 million, representing an increase of approximately 45.0% from approximately RMB198.4 million for 6M2022, which was mainly due to the Group's continued business expansion and improved reputation among existing and potential customers as well as the launch of the new TikTok distribution channel in March 2023. The Group's gross profit margin decreased from approximately 32.8% for 6M2022 to approximately 19.0% for 6M2023, mainly attributable to the low gross margin of the new TikTok business and the Company's increased exclusive customised outsourcing fees for SaaS interactive marketing services. As set out in the Letter from the Board, since the launch of the TikTok Distribution Channel, the Group has been receiving positive feedback and recognition from its customers, and has received an unexpected surge in the number of orders from its customers for placing advertisements through the TikTok Distribution Channel, exceeding the expectation of the management of the Company. Despite the low gross margin of the TikTok Distribution Channel business, we concur with the Directors that the Group should invest more marketing efforts in promoting the TikTok Distribution Channel to capitalise on the prevailing market trend and to cater such substantial and persistent demand from the Group's customers, thereby increase the market share of the Group in the TikTok Distribution Channel business and promote the long term growth of the Group.

The Group's profit attributable to the Shareholders increased from approximately RMB19.5 million for 6M2022 to approximately RMB20.5 million for 6M2023, mainly due to (a) the decrease in listing expenses by approximately RMB5.2 million; (b) the decrease in finance costs by approximately RMB5.4 million as a result of the Group's repayment of certain loans; and (c) the decrease in income tax expenses by approximately RMB2.8 million, which was partially offset by the decrease in gross profit in line with the decrease in gross profit margin as mentioned above.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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*(ii) Financial position*

Set out below is a summary of the consolidated statements of financial position of the Group as at 31 December 2021 and 2022 and 30 June 2023 as extracted from the 2022 Annual Report and the 2023 Interim Report:

	<b>As at 31 December</b>		<b>As at</b>
	<b>2021</b>	<b>2022</b>	<b>30 June</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
<b>Non-current assets, including:</b>	<b>101,977</b>	<b>135,562</b>	<b>129,556</b>
– Intangible assets	87,610	106,134	98,633
<b>Current assets, including:</b>	<b>247,762</b>	<b>580,990</b>	<b>680,465</b>
– Trade receivables	147,470	155,577	167,071
– Prepayments, deposits and other receivables	50,021	78,794	376,473
– Cash and cash equivalents	50,187	329,188	119,366
<b>Total assets</b>	<b><u>349,739</u></b>	<b><u>716,552</u></b>	<b><u>810,021</u></b>
<b>Current liabilities, including:</b>	<b>192,212</b>	<b>170,833</b>	<b>244,249</b>
– Trade payables	20,470	22,585	27,363
– Other payables and accruals	11,157	19,594	22,936
– Contract liabilities	15,493	28,179	128,270
– Borrowings	–	32,052	30,041
– Amounts due to related parties	130,293	–	–
– Income tax payable	11,890	28,077	32,771
<b>Net current assets</b>	<b><u>55,550</u></b>	<b><u>410,157</u></b>	<b><u>436,216</u></b>
<b>Non-current liabilities</b>	<b><u>4,018</u></b>	<b><u>859</u></b>	<b><u>437</u></b>
<b>Total liabilities</b>	<b><u>196,230</u></b>	<b><u>171,692</u></b>	<b><u>244,686</u></b>
<b>Equity attributable to the Shareholders</b>	<b><u>151,872</u></b>	<b><u>543,347</u></b>	<b><u>565,335</u></b>

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As at 30 June 2023, total assets of the Group were approximately RMB810.0 million, which mainly consisted of (a) intangible assets of approximately RMB98.6 million, primarily representing of copyright licences of IPs and purchased software for SaaS interactive marketing services; (b) trade receivables of approximately RMB167.1 million; (c) prepayments, deposits and other receivables of approximately RMB376.5 million; and (d) cash and cash equivalents of approximately RMB119.4 million.

As at 30 June 2023, total liabilities of the Group were approximately RMB244.7 million, which mainly consisted of (a) trade payables of approximately RMB27.4 million; (b) other payables and accruals of approximately RMB22.9 million; (c) contract liabilities of approximately RMB128.3 million which mainly related to the advance consideration received from customers by the Group; and (d) borrowings of approximately RMB30.0 million, which were unsecured with effective interest rate of 4.50% to 5.05% per annum, payable on demand or within one year.

### *(iii) Overall comment*

Successfully listed on the Main Board of the Stock Exchange on 9 November 2022, the Group's business performance has been improved during the periods under review, which was mainly due to the Group's continued business expansion and improved reputation among existing and potential customers as well as the launch of the new TikTok distribution channel in March 2023. As stated in the Letter from the Board, in March 2023, to strengthen its cooperation with the leading media platform, TikTok, the Group entered into a strategic partnership with TikTok to launch the new TikTok distribution channel to become the first-tier agent of TikTok.

The Group's cash and cash equivalents decreased from approximately RMB329.2 million as at 31 December 2022 to approximately RMB119.4 million as at 30 June 2023. The Group recorded cash used in operation of approximately RMB167.4 million for 6M2023, while the Group recorded cash generated from operations of approximately RMB32.4 million for 6M2022, mainly due to the increase in prepayments, deposits and other receivables in line with the expansion of the Group's integrated marketing services business.

The revenue from the digital marketing services increased by approximately 92.6% from approximately RMB47.7 million for 6M2022 to approximately RMB91.9 million for 6M2023, mainly due to the launch of the TikTok Distribution Channel in March 2023. As stated in the Letter from the Board, since the launch of the TikTok Distribution Channel, the Group has been receiving positive feedback and recognition from its customers, and has received an unexpected surge in the number of orders from its customers for placing advertisements through the TikTok Distribution Channel, exceeding the expectation of the management of the Company. With the fast growth of the Group's TikTok Distribution Channel business, we concur with the Directors that it is justifiable for the Group to allocate a substantial amount of net proceeds from the Open Offer to further invest resources in such business segment which requires a substantial amount of prepayments to be made by the Group before the execution of advertisement placement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Reasons for the Open Offer and the use of proceeds

The gross proceeds from the Open Offer are expected to be approximately HK\$60.0 million. The net proceeds from the Open Offer after deducting related expenses are estimated to be approximately HK\$57.76 million. The net price per Open Offer Share is expected to be approximately HK\$0.144. The Company intends to apply the net proceeds from the Open Offer as follows:

- (i) approximately HK\$51.98 million for purchasing media resources, in particular, the online traffic from TikTok for the Group's customers to place advertisements via the TikTok Distribution Channel, and promotion of the TikTok Distribution Channel; and
- (ii) approximately HK\$5.78 million as general working capital of the Company.

As stated in the Letter from the Board, the net proceeds of approximately HK\$84.8 million from the Global Offering originally allocated for scaling up the Group's IP contents portfolio and expanding its integrated marketing solutions business had already been fully utilised as at 30 November 2023, and the Group has decided to re-allocate approximately HK\$34.2 million of the unutilised net proceeds from the Global Offering to expand its IP contents portfolio and its integrated marketing solutions business (the "**Re-allocated Unutilised Proceeds**"). The Group is principally engaged in provision of integrated marketing solutions services in the PRC. As stated in the Prospectus, to further expand its integrated marketing solutions business, the Group intends to further enhance online and offline channel resources integration by deepening cooperation with existing media channels and exploring new business opportunities with new media channels such as online video platforms, live streaming platforms and popular key opinion leaders.

In March 2023, to strengthen its cooperation with the leading media platform, TikTok, the Group entered into a strategic partnership with TikTok to launch the new TikTok Distribution Channel to become the first-tier agent of TikTok. As a result, the Group's revenue from its integrated marketing services, in particular the digital marketing services, has been growing steadily since the first half of 2023. Since the launch of the TikTok Distribution Channel, the Group has been receiving positive feedback and recognition from its customers, and has received an unexpected surge in the number of orders from its customers for placing advertisements through such channel, exceeding the expectation of the management of the Company. To cater such substantial and persistent demand from the Group's customers, the Company intends to further purchase additional advertising resources from TikTok, in particular, its online traffic. In view of the successful debut of the TikTok Distribution Channel, the Company considers there is a growth potential in the TikTok Distribution Channel and expects the TikTok Distribution Channel business to continue to grow, and thus intends to invest more marketing efforts in promoting the TikTok Distribution Channel to accelerate the development of such channel so as to capitalise on the prevailing market trend. We have obtained and reviewed the operational data of the Group for the nine months ended 30 November 2023, and noted that the Group had received orders amounting to approximately RMB100.0 million and

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RMB72.2 million on average per month from its customers for advertising on the TikTok Distribution Channel for the three months ended 30 November 2023 and for the nine months ended 30 November 2023, respectively. Given the number of orders received by the Group in respect of utilising the TikTok Distribution Channel has been growing exponentially, we consider the existing cash reserves of the Group and the Re-allocated Unutilised Proceeds are insufficient for the development of the TikTok Distribution Channel business. Taking into account (i) the net proceeds of approximately HK\$51.98 million from the Open Offer represents approximately half of the average monthly TikTok orders received by the Group for the three months ended 30 November 2023; (ii) the Re-allocated Unutilised Proceeds; and (iii) the Group was in the course of applying for credit lines of RMB180 million in aggregate from banks as discussed below, we consider the net proceeds of approximately HK\$51.98 million from the Open Offer will be sufficient for the Group to cater the growing demand from the Group's customers.

Further, as stated in the Announcement, the Company, through its indirect wholly-owned subsidiary, Xiamen Instant Interactive, has entered into a cooperation agreement with Shanghai Yuzheng on 14 December 2023 in relation to the formation of the JV Company, pursuant to which, among others, Xiamen Instant Interactive has committed to make a capital contribution of RMB47 million in cash to the JV Company. According to the aforesaid agreement, such capital contribution has to be made by Xiamen Instant Interactive by May 2024. In view of such existing obligation of making capital contribution to the JV Company, the Company has decided to re-allocate approximately HK\$51.6 million of the unutilised net proceeds from the Global Offering to the establishment of the JV Company to satisfy such imminent funding need instead of re-allocating such portion of unutilised net proceeds from the Global Offering to the development of the TikTok Distribution Channel business, which has been financed by the Group's internal resources and bank borrowings.

As at the Latest Practicable Date, (i) approximately HK\$13.3 million of the Re-allocated Unutilised Proceeds have not been utilised; (ii) the capital contribution to the JV Company has been completed; and (iii) other net proceeds from the Global Offering have been utilised.

In light of the above, to capture the unexpected escalating demand for the digital marketing services of the Group mainly attributable to the launch of the TikTok Distribution Channel in March 2023, which was not emerged at the time when the Company was formulating its future plans and use of proceeds as set out in the prospectus of the Company dated 28 October 2022, the Directors are of the view that it is justifiable for the Group to allocate a substantial amount of net proceeds from the Open Offer to further invest resources in such business segment in addition to the Re-allocated Unutilised Proceeds to fuel the expected growth of the Group's business in light of the emerging trend of utilising prevailing online marketing tools, including TikTok, in the PRC.

As mentioned in the sub-section headed "1. Background of the Group — (iii) Overall comment" above, the Group's cash and cash equivalents decreased from approximately RMB329.2 million as at 31 December 2022 to approximately RMB119.4 million as at 30 June 2023. The Group recorded cash used in operation of approximately RMB167.4 million for 6M2023, while the Group recorded cash generated from operations of approximately

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RMB32.4 million for 6M2022, mainly due to the increase in prepayments, deposits and other receivables in line with the expansion of the Group's integrated marketing services business. Hence, the Group encountered pressure on cash liquidity and is in need for fund raising to promote its TikTok Distribution Channel business.

According to an entertainment and media industry report issued by PricewaterhouseCoopers on 13 July 2023 (source: <https://www.pwccn.com/en/industries/telecommunications-media-and-technology/publications/entertainment-and-media-outlook-2023-2027.html>), the internet advertising market size in terms of revenue in the PRC is expected to grow at a compound annual growth rate of approximately 9.1% from 2022 to 2027, mainly driven by short video social platforms and live broadcasts. As stated in the website of PricewaterhouseCoopers, PricewaterhouseCoopers has been providing global entertainment and media industry outlook for 24 years and the industry reports cover 13 entertainment and media segments across 53 countries and territories.

Considering (i) the growth potential of the internet advertising market in the PRC; and (ii) the Group has received an unexpected surge in the number of orders from its customers for placing advertisements through TikTok Distribution Channel, we concur with the Directors that it is justifiable for the Group to allocate a substantial amount of net proceeds from the Open Offer to further invest resources in TikTok Distribution Channel business in addition to the Reallocated Unutilised Proceeds.

### *Alternative fundraising methods*

As confirmed by the management of the Group, the Board has considered alternative fundraising methods which included debt financing, placing of new Shares and rights issue.

As disclosed in the voluntary announcement of the Company dated 5 December 2023, the Group was in the course of applying for credit lines of RMB180 million in aggregate (the "Credit Lines") from Xiamen International Bank Xiamen Branch (in respect of credit line of RMB100 million), Shanghai Pudong Development Bank Xiamen Branch (in respect of credit line of RMB50 million) and Industrial and Commercial Bank of China (in respect of credit line of RMB30 million) for a period of not more than two years subject to and in accordance with the terms and conditions to be agreed by the banks. As at the Latest Practicable Date, the Credit Lines have not been approved by the banks. Given it is not able to estimate when and in what amount the Credit Lines will be obtained, the Board is of the view that equity financing is an appropriate fundraising method in addition to debt financing.

The Board is also of the view that placing of new Shares (i) would only be available to certain placees who may not necessarily be existing Shareholders and would dilute the shareholding of existing Shareholders; and (ii) may raise funds in a relatively larger size in light of the funding needs set out above. Although rights issue, as compared to an open offer, can provide an additional option to those Shareholders who do not wish to take up their entitlements by selling their entitled nil-paid rights, the Board is of the view that a rights issue involving the trading of nil-paid rights would incur extra administrative work and cost for preparation, printing, posting and processing of trading arrangements in relation to the nil-paid

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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rights. The Company will also incur additional resources to administer the trading of the nil-paid rights including communication between the Company and other parties, such as the Registrar or financial printer engaged by the Company. Given the thin turnover of trading in the Shares as discussed in the section headed “Average daily trading volume of the Shares”, there may be no active market in nil-paid rights. We concur with the Board that raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

Taking into account (i) the cash liquidity pressure of the Group; (ii) the funding requirement of the Group to further invest resources in the TikTok Distribution Channel business; (iii) the Open Offer will provide all Qualifying Shareholders the right to participate in the new share issue by the Company in proportion to their shareholding in the Company should they wish to do so; (iv) the Open Offer will strengthen the capital base of the Group for further development; and (v) raising equity funding via the Open Offer is able to save financial costs to be incurred for the Company as compared to alternative fundraising methods, we concurred with the Directors that the Open Offer is the most appropriate mean of financing over the alternative fundraising methods and is in the interest of the Company and the Shareholders as a whole.

### **3. Principal terms of the Open Offer, the Irrevocable Undertakings, the Underwriting Agreement and the Placing Agreement**

#### *(i) The Open Offer*

For details of the terms of the Open Offer, please refer to the section headed “Proposed Open Offer” in the Letter from the Board. Set out below are the principal terms of the Open Offer:

Basis of the Open Offer	:	One (1) Open Offer Share for every two (2) existing Shares held by the Shareholders on the Record Date
Open Offer Price	:	HK\$0.15 per Open Offer Share
Number of Shares in issue as at the Latest Practicable Date	:	800,000,000 Shares
Number of Open Offer Shares	:	400,000,000 Open Offer Shares (assuming no change in the number of issued Shares from the Latest Practicable Date up to and including the Record Date)
Underwriter	:	Many Idea Liujianhui

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at the Latest Practicable Date, no share options have been granted by the Company under any of its share schemes, and the Company has no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares.

The Company has no intention to issue any new Shares and any other securities except the Open Offer Shares before completion of the Open Offer. Assuming no changes in the share capital of the Company on or before the Record Date, the number of 400,000,000 Open Offer Shares to be issued pursuant to the Open Offer represent approximately 50.0% of the total number of the existing issued Shares as at the Latest Practicable Date and approximately 33.3% of the total number of issued Shares as enlarged immediately upon the completion of the Open Offer (assuming all the Open Offer Shares will be taken up).

### *(ii) The Irrevocable Undertakings*

As at the Latest Practicable Date, the Undertaking Providers are interested in an aggregate of 258,367,381 Shares (representing approximately 32.30% of the entire issued share capital of the Company as at the Latest Practicable Date).

Pursuant to the Irrevocable Undertakings, the Undertaking Providers have irrevocably undertaken to the Company (a) to apply and pay for or to procure their respective associates (as defined under the Listing Rules) to apply and pay for all Open Offer Shares which will be in the assured allotment of Open Offer Shares in respect of the 258,367,381 Shares beneficially owned by them; (b) that they will remain to be the beneficial owners of the 258,367,381 Shares at the close of business on the Record Date; (c) to procure that the application for the Open Offer Shares will be lodged with the Registrar or the Company, in accordance with the terms of the Prospectus Documents, provided that the Whitewash Waiver having been granted by the Executive prior to the Posting Date and not having been revoked or withdrawn; and (d) that they will not, and will procure their respective associates that they will not, without first having obtained prior written consent of the Company transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share (except the application of the Open Offer Shares under the assured allotment of the Open Offer Shares under the Open Offer) or any interest therein between the date of the Irrevocable Undertakings and the Record Date.

### *(iii) The Underwriting Agreement*

For details of the terms of the Underwriting Agreement, please refer to the section headed "The Underwriting Agreement for the Open Offer" in the Letter from the Board. Set out below are the principal terms of the Underwriting Agreement:

Date	:	28 December 2023
Parties	:	(a) The Company; and
		(b) The Underwriter, being the underwriter to the Open Offer

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Underwriter is a substantial shareholder of the Company which beneficially holds 130,457,399 Shares, representing approximately 16.31% of the entire issued share capital of the Company as at the Latest Practicable Date. As such, the Underwriter complies with Rule 7.19(1)(b) of the Listing Rules. The Underwriter is an investment holding company and is not engaged in the business of underwriting securities.

Number of Open Offer Shares underwritten : All such Unsubscribed Shares that have not been placed by the Placing Agent or they have been placed but the placees have not paid therefor at 4:00 p.m. on the Placing End Date.

Commission : Nil

*(iv) The Placing Agreement*

Pursuant to Rule 7.26A(2) of the Listing Rules, as the Underwriter, being a substantial shareholder of the Company, will act as the underwriter of the Open Offer, the Company must make arrangements as stipulated in Rule 7.26A(1)(b) of the Listing Rules to dispose of any Unsubscribed Shares by offering such Unsubscribed Shares to independent placees for the benefit of the relevant No Action Shareholders.

Any Unsubscribed Shares (which comprise (a) the fractional Open Offer Shares aggregated; (b) the Open Offer Shares that are not subscribed by the Qualifying Shareholders; and/or (c) Open Offer Shares which would otherwise have been in the assured allotments of the Non-Qualifying Shareholders) will be first placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties, and if not successfully placed out, will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

In order to comply with the Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Shares at the Placing Price. Any unplaced Unsubscribed Shares will then be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For details of the terms of the Placing Agreement, please refer to the section headed “Principal terms of the Placing Agreement” in the Letter from the Board. Set out below are the principal terms of the Placing Agreement:

- Placing Agent : Metaverse Securities Limited
- Placing commission : 2.5% of the gross proceeds from the subscription of the Unsubscribed Shares successfully placed by the Placing Agent as at the date of Open Offer Completion
- Placing Price : Not less than HK\$0.15 per Unsubscribed Share
- Placing Period : The Placing Period will commence on 15 April 2024 and end on 16 April 2024 or such other dates as the Company may announce, being the period during which the Placing Agent will conduct the Placing.
- Placee(s) : The Unsubscribed Shares are expected to be placed to not less than six investors, who/which will be professional, institutional, corporate and/or individual investors selected and procured by or on behalf of the Placing Agent on a best effort basis. The Placing Agent will, on a best effort basis, ensure that these placees (or as the case may be, their ultimate beneficial owner(s)) will be Independent Third Parties.

For the avoidance of doubt, no placee will become a substantial shareholder of the Company.

The Placing Agent will, on a best effort basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties for all (or as many as possible) of the Unsubscribed Shares.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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#### 4. Assessment of the principal terms of the Open Offer, the Irrevocable Undertakings, the Underwriting Agreement and the Placing Agreement

##### (i) *The Open Offer Price*

The Open Offer Price of HK\$0.15 per Open Offer Share, payable in full by a Qualifying Shareholder upon application for the assured allotment of Open Offer Shares under the Open Offer, represents:

- (a) a discount of approximately 1.32% over the closing price of HK\$0.152 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 34.50% over the closing price of HK\$0.229 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and the Placing Agreement;
- (c) a discount of approximately 31.19% over the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.218;
- (d) a discount of approximately 32.43% over the average of the closing prices per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.222;
- (e) a discount of approximately 23.08% to the theoretical ex-entitlement price of approximately HK\$0.195 per Share based on the closing price of HK\$0.217 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Open Offer Shares;
- (f) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 11.35% represented by the theoretical diluted price of approximately HK\$0.203 to the benchmarked price of approximately HK\$0.229 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the date of the Underwriting Agreement and the Placing Agreement of HK\$0.229 per Share and the average closing price of the Shares in the five trading days immediately prior to the date of the Announcement of HK\$0.218 per Share); and

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- (g) a discount of approximately 80.31% and 80.44% to the audited and unaudited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2022 and 30 June 2023 of approximately HK\$0.762 and HK\$0.767 per Share, respectively, calculated based on the consolidated net assets of the Group attributable to the Shareholders of approximately RMB544.86 million and RMB565.34 million (equivalent to approximately HK\$609.70 million and HK\$613.39 million based on the exchange rate of RMB1.000 to HK\$1.119 and RMB1.000 to HK\$1.085 as at 31 December 2022 and 30 June 2023, respectively) as at 31 December 2022 and 30 June 2023, respectively, and 800,000,000 Shares then in issue as at both of the aforesaid dates.

The terms of the Open Offer, including the Open Offer Price, were determined by the Board with reference to (a) the prevailing market condition; (b) the prevailing market prices of the Shares; and (c) the capital required for the Group's business development as detailed in the section headed "Reasons for the Open Offer and the use of proceeds" in the Letter from the Board. The Open Offer Shares will be offered to all Shareholders and each Qualifying Shareholder will be entitled to apply for the Open Offer Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date.

(a) *Comparison with the historical closing prices of the Shares*

In order to assess the fairness and reasonableness of the Open Offer Price, we have performed a review on the daily closing prices of the Shares from 1 December 2022 to the Last Trading Day (i.e. 27 December 2023) (the "Review Period"), being approximately one year preceding the Last Trading Day, and up to the Latest Practicable Date. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Performance of Share price

Source: Website of the Stock Exchange

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As shown above, the closing prices of the Shares were above the Open Offer Price at all times during the Review Period, ranging from HK\$0.209 on 14 December 2023 to HK\$0.74 on 7 December 2022. In other words, the discounts of the Open Offer Price to the closing prices of the Shares ranged from approximately 28.23% to 79.73% during the Review Period.

During the Review Period, the closing price of the Shares exhibited a general downward trend from the highest of HK\$0.74 on 7 December 2022 to the lowest of HK\$0.209 on 14 December 2023. Based on our review of the Company's announcements published on the website of the Stock Exchange during the Review Period, except for the publication of annual results and interim results announcements as indicated in the graph above, there is no particular reason and we are not aware of any information causing the fluctuations on the closing price of the Shares. As at the Latest Practicable Date, the closing price of the Shares was HK\$0.152, over which the Open Offer Price represents a discount of approximately 1.32%.

As discussed in the sub-section headed "(c) Comparison with recent open offer exercises" below, we note that it is a common market practice to set the Open Offer Price at a discount to the prevailing market prices of the relevant share in order to increase the attractiveness and encouraging shareholders to participate in the Open Offer so as to meet the company's need for additional funding.

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(b) *Average daily trading volume of the Shares*

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the period from 1 December 2022 to the Latest Practicable Date:

	Number of trading days	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of Shares in issue <i>(Note 1)</i>	Approximate percentage of average daily trading volume to total number of Shares held by the public <i>(Note 2)</i>
<b>2022</b>				
December	20	13,622,900	1.70%	2.60%
<b>2023</b>				
January	18	4,456,778	0.56%	0.85%
February	20	1,912,500	0.24%	0.36%
March	23	1,265,130	0.16%	0.24%
April	17	766,588	0.10%	0.15%
May	21	359,429	0.04%	0.07%
June	21	766,857	0.10%	0.15%
July	20	399,200	0.05%	0.08%
August	23	332,435	0.04%	0.06%
September	19	291,158	0.04%	0.06%
October	20	296,600	0.04%	0.06%
November	22	368,364	0.05%	0.07%
December	19	1,156,316	0.14%	0.22%
From 1 January to the Latest Practicable Date	15	609,067	0.08%	0.12%

Source: *Website of the Stock Exchange*

Notes:

1. Based on the total number of the Shares in issue at the end of each month or period.
2. Based on the number of Shares held by public Shareholders at the end of each month or period.

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The average daily trading volume for the respective month or period during the above period ranged from approximately 291,158 Shares in September 2023 to approximately 13,622,900 Shares in December 2022, representing approximately 0.04% to 1.70% of the total number of the Shares in issue and approximately 0.06% to 2.60% of the total number of the Shares held by the public, respectively. As the Shares were listed on the Stock Exchange since November 2022, the trading of the Shares remained active in December 2022. Thereafter, the trading of the Shares was generally inactive.

Given the thin trading liquidity of the Shares during the Review Period, especially in 2023, we consider that it is reasonable for the Open Offer Price to be set at a discount to the prevailing historical closing prices of the Shares in order to attract the Qualifying Shareholders to participate in the Open Offer and to maintain their respective shareholdings in the Company.

*(c) Comparison with recent open offer exercises*

In order to further assess the fairness and reasonableness of the terms of the Open Offer, we have further reviewed the open offer exercises which (1) were initially announced by the companies listed on the Main Board of the Stock Exchange for the period from 1 January 2021 up to the Last Trading Day (being approximately three years); (2) were completed on the Last Trading Day; and (3) raised gross proceeds less than HK\$100 million which we consider comparable to that of the Open Offer. We have identified an exhaustive list of three open offer exercises (the “**Comparable Transactions**”). We consider that the aforesaid review period of approximately three years is adequate and appropriate to (1) capture the recent market practice in relation to open offer exercises under the prevailing market conditions; and (2) provide a sufficient sample for comparison with the Open Offer. Although rights issue and open offer are similar and both allow qualifying shareholders to subscribe for shares in proportion to what they currently own, the open offer does not allow the trading of rights entitlements in the open market. As for placing of new shares, shareholders do not have equal opportunity to maintain their respective pro rata shareholding. As such, we consider it not appropriate to include other type of fund raising exercise for assessing the terms of the Open Offer.

Although the listed issuers involved in the Comparable Transactions have different principal activities, market capitalisations, profitability and financial positions as compared to those of the Company, and the Comparable Transactions have different basis of entitlement and arrangements which are not comparable to the Open Offer, we consider that the Comparable Transactions can provide a general reference to the pricing trend of recent open offer exercises under the current market conditions, so as to determine whether the Open Offer Price is in line with those of recent open offer exercises in the market.

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The details of the Comparable Transactions are set out below:

Date of announcement	Company name (stock code)	Basis of entitlement	Gross proceeds (HK\$ million)	Discount of the Open Offer Price to the closing price on the last trading day (%)	Discount of the Open Offer Price to the theoretical ex-entitlement price based on the closing price on the last trading day (%)	Discount of the open offer price to the consolidated net asset value attributable to the shareholders (%)	Maximum dilution (%) (Note 1)	Theoretical dilution (%) (Note 2)	Underwriting commission (%)	Excess application	Placing commission
3 August 2023	First Shanghai Investments Limited (227.HK)	2 for 5	68.8	(12.00)	(9.09)	(92.60)	28.57	3.20	2.00	No	1.00
19 November 2021	First Shanghai Investments Limited (227.HK)	1 for 11	29.6	(17.60)	(16.30)	(88.40)	8.33	1.40	N/A	No	1.00
1 September 2021	Da Sen Holdings Group Limited (1580.HK)	3 for 5	23.4	(65.52)	(54.55)	(75.76)	37.50	24.57	N/A	Yes	N/A
23 July 2021	First Shanghai Investments Limited (227.HK)	1 for 5	76.6	(19.40)	(16.70)	(85.30)	16.67	3.00	N/A	No	1.00
		Minimum		(12.00)	(9.09)	(75.76)	8.33	1.40	2.00		1.00
		Maximum		(65.52)	(54.55)	(92.60)	37.50	24.57	2.00		1.00
		Average		(28.63)	(24.16)	(85.52)	22.77	8.04	2.00		1.00
28 December 2023	The Company	1 for 2	60.0	(30.88)	(23.08)	(80.44)	33.33	11.35	Nil	No	2.50

Source: Website of the Stock Exchange

Notes:

- The maximum dilution is calculated by the number of offer shares divided by the total number of issued shares as enlarged by the issue of the offer shares.
- The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Listing Rules.
- The cumulative theoretical dilution effect is approximately 2.8% if the open offers announced by First Shanghai Investments Limited on 19 November 2021 and 23 July 2021 are aggregated.

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As set out in the table above, we note that it is a common market practice that the open offer price represents a discount to the prevailing closing share prices prior to the announcement of the open offer and to the theoretical ex-entitlement price of the shares. We also note that:

- (1) the open offer prices to the share price on the last trading day of the Comparable Transactions ranged from a discount of approximately 12.00% to a discount of approximately 65.52%, with an average discount of approximately 28.63%. The discount of approximately 30.88% as represented by the Open Offer Price to the closing price of the Shares on the Last Trading Day is within the range of the Comparable Transactions and close to the average discount of the Comparable Transactions;
- (2) the open offer prices to the theoretical ex-entitlement price per share based on the last trading day of the Comparable Transactions ranged from a discount of approximately 9.09% to a discount of approximately 54.55%, with an average discount of approximately 24.16%. The discount of approximately 23.08% as represented by the Open Offer Price to the theoretical ex-entitlement price based on the closing price of the Shares on the Last Trading Day is within the range of the Comparable Transactions and lower than the average discount of the Comparable Transactions;
- (3) the open offer prices to the consolidated net asset value attributable to the shareholders of the Comparable Transactions ranged from a discount of approximately 92.60% to a discount of approximately 75.76%, with an average discount of approximately 85.52%. The discount of approximately 80.44% as represented by the Open Offer Price to the consolidated net asset value per Share attributable to the Shareholders as at 30 June 2023 is within the range of the Comparable Transactions and lower than the average discount of the Comparable Transactions; and
- (4) the theoretical dilution effect of the Comparable Transactions ranged from approximately 1.40% to 24.57%, with an average dilution effect of approximately 8.04%. The theoretical dilution effect of the Open Offer of approximately 11.35% is within the range of the Comparable Transactions and higher than the average of the Comparable Transactions.

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Given that (a) as shown in the table above, it is a common market practice that the open offer price represents a discount to the closing share price prior to the announcement of the open offer and to the theoretical ex-entitlement price of the shares; (b) the higher discount of the Open Offer Price could enhance the attractiveness of the Open Offer and encourage the Qualifying Shareholders to participate in the Open Offer; (c) the interests of the Qualifying Shareholders will not be prejudiced by the discount of the Open Offer Price as long as they are offered with an equal opportunity to participate in the Open Offer and subscribe for the Offer Shares; (d) the discounts of the Open Offer Price to the closing price of the Shares on the Last Trading Day and the theoretical ex-entitlement price of the Shares on the Last Trading Day are within the ranges of those of the Comparable Transactions and close to the average discounts of the Comparable Transactions; and (e) the discount of the Open Offer Price to the consolidated net asset value per Share attributable to the Shareholders as at 30 June 2023 is within the range of the Comparable Transactions and lower than the average discount of the Comparable Transactions, we are of the view that the Open Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

Because the Company has put in place the above Unsubscribed Arrangements as required by Rule 7.26A(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Open Offer as stipulated under Rule 7.26A(1)(a) of the Listing Rules.

### *(ii) The Underwriting Agreement*

Pursuant to the Underwriting Agreement, the Underwriter will not charge any underwriting commission for the Open Offer. We consider that this is beneficial to the Company as it can avoid any additional transaction cost to be incurred should the Company appoint a willing independent broker to act as the underwriter for the Open Offer.

Having considered that (a) the Untaken Offer Shares will first be placed to the independent placee(s) before underwritten by the Underwriter; (b) the underwriting arrangement will enable the Group to secure funding if the level of subscription of the Open Offer is low; (c) the nil underwriting commission for the Underwriter under the Underwriting Agreement is beneficial to the Company; and (d) the Open Offer (including its use of proceeds) is in the interests of the Company and the Shareholders as a whole, we are of the view that (a) the Underwriting Agreement and the transactions contemplated thereunder are in the interests of the Company and the as a whole; and (b) the terms of the Underwriting Agreement are on normal commercial terms and are fair and reasonable.

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### *(iii) The Irrevocable Undertakings*

Pursuant to the Irrevocable Undertakings, the Undertaking Providers have irrevocably undertaken to the Company (a) to apply and pay for or to procure their respective associates (as defined under the Listing Rules) to apply and pay for all Open Offer Shares which will be in the assured allotment of Open Offer Shares in respect of the 258,367,381 Shares beneficially owned by them; (b) that they will remain to be the beneficial owners of the 258,367,381 Shares at the close of business on the Record Date; (c) to procure that the application for the Open Offer Shares will be lodged with the Registrar or the Company, in accordance with the terms of the Prospectus Documents, provided that the Whitewash Waiver having been granted by the Executive prior to the Posting Date and not having been revoked or withdrawn; and (d) that they will not, and will procure their respective associates that they will not, without first having obtained prior written consent of the Company transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share (except the application of the Open Offer Shares under the assured allotment of the Open Offer Shares under the Open Offer) or any interest therein between the date of the Irrevocable Undertakings and the Record Date.

Having considered that (a) the Irrevocable Undertakings were given by the Undertaking Providers in favour of the Company which solely represent the intention of the Undertaking Providers in respect of their interests in the securities of the Company under the Open Offer; and (b) the Irrevocable Undertakings indicate the Undertaking Providers' support for the Open Offer as they have undertaken to apply and pay for the Open Offer Shares which will be in the assured allotment of Open Offer Shares in respect of the 258,367,381 Shares beneficially owned by them, we consider that the terms of the Irrevocable Undertakings are fair and reasonable.

### *(iv) The Placing Agreement*

Pursuant to the Placing Agreement, any Unsubscribed Shares will be first placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties, and if not successfully placed out, will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Under the Placing Agreement, the Placing Agent will charge the Company a placing commission of 2.5% of the of the gross proceeds from the subscription of the Unsubscribed Shares successfully placed by the Placing Agent as at the date of Open Offer Completion (the "**Placing Commission**"). There will be no excess application arrangements in relation to the Open Offer as stipulated under Rule 7.26A(1)(a) of the Listing Rules.

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(a) *The Placing Price*

Given that (1) the Placing Price shall be not less than the Open Offer Price, which is not prejudicial to the interests of the Qualifying Shareholders; and (2) the Open Offer Price is fair and reasonable as discussed in the sub-section headed “(i) The Open Offer Price” above, we consider that the Placing Price is fair and reasonable so far as the Independent Shareholders are concerned.

(b) *The Placing Commission*

Pursuant to the Placing Agreement, the Company shall pay the Placing Agent the Placing Commission of 2.5% of the gross proceeds from the subscription of the Unsubscribed Shares successfully placed by the Placing Agent as at the date of Open Offer Completion. As advised by the management of the Group, the Placing Commission was determined after arm’s length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The placing of Unsubscribed Shares by the Placing Agent is of similar nature as those under non-underwritten placing of new shares by companies listed on the Stock Exchange. To assess the fairness and reasonableness of the Placing Commission, we have conducted a search of recent non-underwritten placing of new shares by companies listed on the Main Board of the Stock Exchange (the “**Placing Comparables**”) announced from 1 November 2023, being approximately two months prior to the Last Trading Day, up to the Last Trading Day, so as to reflect the general trend of placing transactions in the market.

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Set out below is a summary of the Placing Comparables:

Date of announcement	Company name (stock code)	Commission rate payable to the placing agent
3 November 2023	Life Healthcare Group Limited (928.HK)	3.0%
7 November 2023	Core Economy Investment Group Limited (339.HK)	1.5%
7 November 2023	InvesTech Holdings Limited (1087.HK)	3.5%
9 November 2023	Green Energy Group Limited (979.HK)	1.0%
9 November 2023	Pak Tak International Limited (2668.HK)	1.0%
20 November 2023	China Shenghai Group Limited (1676.HK)	2.0%
30 November 2023	K.H. Group Holdings Limited (1557.HK)	(i) HK\$300,000; or (ii) 0.6% of the amount which is equal to the placing price multiplied by the total number of the placing shares which are successfully placed by the placing agent, which is higher
1 December 2023	Infinites Technology International (Cayman) Holding Limited (1961.HK)	2.5%
13 December 2023	Starlight Culture Entertainment Group Limited (1159.HK)	1.0%
15 December 2023	China Zenith Chemical Group Limited (362.HK)	3.0%
21 December 2023	Guangzhou Rural Commercial Bank Co., Ltd. (1551. HK)	Not disclosed in the announcement
22 December 2023	Balk 1798 Group Limited (1010.HK)	3.0%

Source: Website of the Stock Exchange

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We noted that the commission fees payable to the respective placing agents under the Placing Comparables ranged from 0.6% to 3.5% of the gross proceeds from the placing with a median and mean of approximately 2.0%. Given the Placing Commission is within the range of the commission fees of the Placing Comparable and is only 0.5% higher than the median and mean of the Placing Comparables, we consider that the Placing Commission is fair and reasonable.

We have also reviewed other major terms of the Placing Agreement, including the conditions and the termination of the Placing Agreement, and we are not aware of any term which is unusual. As such, we are of the view that the terms of the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

In view of the above, we consider that the implementation of the Unsubscribed Arrangements is in the interests of the Company and the Shareholders as a whole.

### **5. Potential dilution effect on the shareholding interests of the Independent Shareholders**

All Qualifying Shareholders are entitled to subscribe for the Open Offer Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Open Offer, their shareholding interests in the Company will not be diluted after the Open Offer. Qualifying Shareholders who do not accept the Open Offer and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Upon the completion of the Open Offer (assuming no acceptance by the Qualifying Shareholders (other than the Underwriter, Mr. Liu and the parties acting in concert with them) under the Open Offer and no Independent Third Parties took up the Unsubscribed Shares such that all the Unsubscribed Shares were taken up by the Underwriter), the shareholding of the existing public Shareholders will be diluted to approximately 43.71%.

For illustrative purposes only, set out below is the shareholding structure of the Company as at (i) the Latest Practicable Date; (ii) immediately upon the Open Offer Completion assuming full acceptance by all Qualifying Shareholders under the Open Offer; (iii) immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Underwriter, Mr. Liu and the parties acting in concert with them) under the Open Offer; and (b) all the Unsubscribed Shares were placed to Independent Third Parties under the Unsubscribed Arrangements (“**Scenario I**”); and (iv) immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Underwriter, Mr. Liu and the parties acting in concert with them) under the Open Offer; and (b) no Independent Third Parties took up

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the Unsubscribed Shares such that all the Unsubscribed Shares were taken up by the Underwriter (“Scenario II”):

	As at the date of the Latest Practicable Date		Immediately upon the Open Offer Completion assuming full acceptance by all Qualifying Shareholders under the Open Offer		Scenario I		Scenario II	
	No. of issued Shares	%	No. of issued Shares	%	No. of issued Shares	%	No. of issued Shares	%
The Underwriter (Note 1)	130,457,399	16.31	195,686,099	16.31	195,686,099	16.31	466,502,409	38.88
Xiamen Dream Future (Notes 2 and 3)	126,330,885	15.79	189,496,328	15.79	189,496,328	15.79	189,496,327	15.79
Many Idea Qushuo (Notes 3 and 4)	1,579,097	0.20	2,368,645	0.20	2,368,645	0.20	2,368,645	0.20
<b>Subtotal</b>	<b>258,367,381</b>	<b>32.30</b>	<b>387,551,072</b>	<b>32.30</b>	<b>387,551,072</b>	<b>32.30</b>	<b>658,367,381</b>	<b>54.87</b>
Directors (Note 5)								
Mr. Chen Shancheng	15,119,887	1.89	22,679,830	1.89	15,119,887	1.26	15,119,887	1.26
Mr. Chen Zeming	1,963,278	0.25	2,944,917	0.25	1,963,278	0.16	1,963,278	0.16
<b>Subtotal (the Underwriter, Mr. Liu, the parties acting in concert with them and Directors)</b>	<b>275,450,546</b>	<b>34.44</b>	<b>413,175,819</b>	<b>34.44</b>	<b>404,634,225</b>	<b>33.72</b>	<b>675,450,546</b>	<b>56.29</b>
Independent places	-	-	-	-	270,816,321	22.57	-	-
Other public Shareholders	524,549,454	65.56	786,824,181	65.56	524,549,454	43.71	524,549,454	43.71
<b>Total</b>	<b>800,000,000</b>	<b>100.00</b>	<b>1,200,000,000</b>	<b>100.00</b>	<b>1,200,000,000</b>	<b>100.00</b>	<b>1,200,000,000</b>	<b>100.00</b>

*Notes:*

- The Underwriter is an investment holding company beneficially and wholly owned by Mr. Liu. Under the Takeovers Code, Mr. Liu is a party acting in concert with the Underwriter by virtue of his shareholding in the Underwriter. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Underwriter.
- Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
- Mr. Liu is the spouse of Ms. Qu. Each of Mr. Liu and Ms. Qu is deemed to be interested in the Shares held by one another by virtue of the SFO.
- Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.
- Saved as disclosed in this table, no other Director holds Shares as at the Latest Practicable Date. Under the Takeovers Code, Mr. Chen Shancheng and Mr. Chen Zeming are directors of the Company and are presumed to be acting in concert with the Underwriter under class (6) of the definition of “acting in concert”.

As discussed in the sub-section headed “(c) Comparison with recent open offer exercises”, the maximum dilution of the Comparable Transactions ranged from approximately 8.33% to approximately 37.50% with an average dilution of approximately

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22.77%. For the Non-Qualifying Shareholders and those Qualifying Shareholders who do not take up their full provisional allotments under the Open Offer, depending on the extent to which they subscribe for the Open Offer Shares, their shareholding interests in the Company upon completion of the Open Offer will be diluted by up to a maximum of approximately 33.33%, which falls within the range of the Comparable Transactions.

As set out in the Letter from the Board, the theoretical dilution impact is approximately 11.35% which is within the range of the Comparable Transactions from approximately 1.40% to approximately 24.57%. As the theoretical dilution impact of the Open Offer is below 25%, it is in compliance with Rule 7.27B of the Listing Rules. Hence, we consider that it is reasonable for the Open Offer with such a theoretical dilution impact.

In all cases of open offer, the dilution on the shareholding of those qualifying shareholders who do not take up in full their provisional allotments under the open offer is inevitable. In fact, the dilution magnitude of any open offer depends mainly on the extent of the basis of entitlement under such exercise since the higher offering ratio of new shares to existing shares is, the greater the dilution on the shareholding would be.

Having considered that (i) the dilution effect is not prejudicial as all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Independent Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Open Offer; (ii) shareholding dilution is inherent in open offer in general; and (iii) the positive impact on the financial position of the Group as a result of the Open Offer as detailed in the section headed "6. Financial impact of the Open Offer" below, we are of the view that the potential dilution effect on the shareholding, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro-rata Open Offer Shares, is justifiable.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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**6. Financial impact of the Open Offer**

*(i) Net tangible assets*

We set out below the unaudited consolidated net tangible liabilities and the pro forma consolidated net tangible assets per Share, assuming completion of the Open Offer took place on 30 June 2023, based on the unaudited pro forma financial information of the Group (the “**Unaudited Pro Forma Financial Information**”) in Appendix II to the Circular:

	As at 30 June 2023	Upon completion of the Open Offer (assuming there is no change in the number of the Shares in issue on or before the Record Date) <i>(Note 1)</i>
Consolidated net tangible assets attributable to the Shareholders (in RMB)	465,207,000	517,858,000
Total number of the Shares in issue	800,000,000	1,200,000,000
<b>Unaudited consolidated net tangible assets per Share (in RMB)</b>	<b>0.5815</b>	<b>0.4315</b>

*Note:*

1. Based on (a) 400,000,000 Open Offer Shares (assuming there is no change in the number of the Shares in issue on or before the Record Date); (b) the Open Offer Price of HK\$0.15 per Open Offer Share; and (c) the estimated related expenses of approximately RMB2,045,000 as disclosed in the Circular.

As show in the table above, the net tangible assets of the Group as at 30 June 2023 would increase upon completion of the Open Offer. The pro forma consolidated net tangible assets per Share upon completion of the Open Offer would be approximately RMB0.4315 (assuming there is no change in the number of the Shares in issue on or before the Record Date).

*(ii) Liquidity*

As at 30 June 2023, cash and cash equivalents of the Group amounted to approximately RMB119.4 million. Upon completion of the Open Offer, cash and cash equivalents of the Group is expected to increase by the estimated net proceeds from the Open Offer. As such, the liquidity position of the Group would be improved upon completion of the Open Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *(iii) Gearing*

As at 30 June 2023, the Group's gearing ratio, being the sum of borrowings, lease liabilities, amounts due to Directors and amounts due to related parties divided by equity attributable to Shareholders, was approximately 5.6%. The capital base of the Group would be enlarged upon completion of the Open Offer. Accordingly, assuming there is no material change in the total debts of the Group, the gearing ratio of the Group would be improved and decrease to approximately 5.1% as a result of the Open Offer.

### *(iv) Earnings*

Given that the net proceeds from the Open Offer will be mainly used for purchasing media resources from TikTok and promotion of the TikTok distribution Channel, the Group may generate additional revenue if the strategies are implemented successfully.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Company upon completion of the Open Offer.

## **7. The Whitewash Waiver**

As at the Latest Practicable Date, the Underwriter and its beneficial owner, Mr. Liu, together with the parties acting in concert with any of them beneficially own in aggregate 258,367,381 Shares, representing approximately 32.30% of the entire issued share capital of the Company.

Assuming (i) there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of close of the Open Offer; (ii) none of the Qualifying Shareholders other than the Underwriter, Mr. Liu and the parties acting in concert with them have taken up their entitlements under the Open Offer; and (iii) none of the Unsubscribed Shares have been taken up under the Unsubscribed Arrangement, the aggregate interests in the Company held by the Underwriter, Mr. Liu and the parties acting in concert with them upon the close of the Open Offer will increase from the current level of approximately 32.30% to approximately 54.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Open Offer Shares. The Underwriter and Mr. Liu will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code.

An application has been made by the Underwriter and Mr. Liu to the Executive for the Whitewash Waiver. The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM either in person or by proxy by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM either in person or by proxy by way of poll in respect of the Open

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Offer, the Underwriting Agreement and the transactions contemplated thereunder. The Underwriter, Mr. Liu and the parties acting in concert with them (including the Undertaking Providers and those by virtue of the class (6) presumption under the definition of “acting in concert” under the Takeovers Code (i.e. Mr. Chen Shancheng and Mr. Chen Zeming)) will abstain from voting on the proposed resolution approving the Whitewash Waiver under the Takeovers Code. Save as aforesaid, no other Shareholder is required to abstain from voting in favour of the proposed resolution approving the Whitewash Waiver at the EGM. If the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Open Offer will not proceed.

Based on our analysis of the benefits and terms of the Open Offer, we consider that the Open Offer is in the interests of the Company and the Independent Shareholders as a whole. As such, we are of the view that the approval of the Whitewash Waiver, which is a prerequisite for the implementation of the Open Offer, is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole for the purpose of proceeding with the Open Offer.

### OPINION AND RECOMMENDATION

In arriving at our opinion and recommendation, we have considered the principal factors and reasons as discussed above and in particular the following:

- the Group’s cash and cash equivalents decreased from approximately RMB329.2 million as at 31 December 2022 to approximately RMB119.4 million as at 30 June 2023. The Group recorded cash used in operation of approximately RMB167.4 million for 6M2023, mainly due to the increase in prepayments, deposits and other receivables in line with the expansion of the Group’s integrated marketing services business. The Group is in need to raise funds for working capital;
- the internet advertising market size in terms of revenue in the PRC is expected to grow at a compound annual growth rate of approximately 9.1% from 2022 to 2027, mainly driven by short video social platforms and live broadcasts. It is justifiable for the Group to raise fund to further invest resources in TikTok Distribution Channel business;
- the Open Offer is the most preferred option over other financing alternatives such as placing of new Shares and rights issue;
- the principal terms of the Open Offer, in particular the Open Offer Price, are fair and reasonable after considering the following:
  - it is a common market practice that the pricing of an open offer represents a discount to the closing share price prior to the announcement of the open offer and to the theoretical ex-entitlement price of the shares;
  - the discount of the Open Offer Price could enhance the attractiveness of the Open Offer and encourage the Qualifying Shareholders to participate in the Open Offer;

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- the interests of the Qualifying Shareholders will not be prejudiced by the discount of the Open Offer Price as long as they are offered with an equal opportunity to participate in the Open Offer and subscribe for the Open Offer Shares;
  - the discount of the Open Offer Price to the closing price of the Shares on the Last Trading Day is within the range of the Comparable Transactions and close to the average discount of the Comparable Transactions;
  - the discount of the Open Offer Price to the theoretical ex-entitlement price of the Shares on the Last Trading Day is within the range of the Comparable Transactions and lower than the average discount of the Comparable Transactions; and
  - the discount of the Open Offer Price to the consolidated net asset value per Share attributable to the Shareholders as at 30 June 2023 is within the range of the Comparable Transactions and lower than the average discount of the Comparable Transactions.
- the Irrevocable Undertakings, being the intention of the Undertaking Providers in respect of their interests in the securities of the Company under the Open Offer, were given by the Undertaking Providers in favour of the Company, indicating their support for the Open Offer;
  - the Unsubscribed Arrangements under the Placing Agreement, being part of the Open Offer, are in compliance with the Listing Rules, which are managed by the Placing Agent who is an Independent Third Party. The Placing Price will be not less than the Open Offer Price which is fair and reasonable as mentioned above and the Placing Commission payable to the Placing Agent is within the range of the Placing Comparables and is only 0.5% higher than the median and mean of the Placing Comparables;
  - the dilution effect on the shareholding interests of public Shareholders, which will be potentially diluted by up to a maximum of approximately 33.33% following completion of the Open Offer, is considered to be acceptable given that the terms of the Open Offer (including the Open Offer Price) are fair and reasonable as mentioned above and that the Open Offer is not prejudicial to the Shareholders' interests in the Company if they choose to subscribe for their full entitlement of the Open Offer Shares under the Open Offer. Meanwhile, the Open Offer does not result in a theoretical dilution effect of 25% or more on its own, complying with the Listing Rules; and
  - the Open Offer is expected to bring an overall positive financial impact on the Group and improving the liquidity and gearing of the Group, which is in line with the interests of Shareholders.

Based on the above, we consider that the terms of the Open Offer, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the Open Offer, the transactions contemplated under the Underwriting Agreement and the Placing Agreement, and the Whitewash Waiver, while not in the ordinary and usual course of business of the Group, are nevertheless in the

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interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Open Offer, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver.

Yours faithfully,  
For and on behalf of  
**Rainbow Capital (HK) Limited**  
**Larry Choi**  
*Managing Director*

*Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.*

## 1. FINANCIAL INFORMATION OF THE GROUP

The consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes of equity and any other primary statement are shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”); (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2022 (the “**2022 Financial Statements**”); and (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 (the “**2023 Interim Financial Statements**”), together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information. The 2020 Financial Statements, 2021 Financial Statements and 2022 Financial Statements were audited by BDO Limited, the reporting accountants of the Company.

The 2020 Financial Statements and the 2021 Financial Statements are set out in Appendix I to the prospectus of the Company in relation to the Global Offering (the “**Prospectus**”), which was published on 28 October 2022 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1028/2022102800015.pdf>

The 2022 Financial Statements are set out on pages 83 to 164 of the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was published on 27 April 2023 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702483.pdf>

The 2023 Interim Financial Statements are set out on pages 28 to 109 of the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”), which was published on 19 September 2023 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0919/2023091900982.pdf>

The following is a summary of the audited consolidated financial information of the Group for each of the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023, as extracted from the Prospectus, 2022 Annual Report and 2023 Interim Report of the Company, respectively:

	31 December 2020 RMB'000 (audited)	31 December 2021 RMB'000 (audited)	31 December 2022 RMB'000 (audited)	30 June 2023 RMB'000 (unaudited)
Revenue	308,377	353,300	498,329	287,607
Cost of revenue	(233,735)	(238,764)	(318,699)	(232,942)
Gross profit	74,642	114,536	179,630	54,665
Other revenue	6,574	8,505	9,254	4,114
Other gains and losses	–	1,409	(3,436)	(1,059)
Selling and marketing expenses	(15,389)	(9,969)	(6,778)	(3,914)
Administrative expenses	(16,313)	(16,913)	(30,493)	(11,635)
Provision for impairment loss on trade receivables and other financial assets, net	(11,480)	(5,758)	(24,844)	(18,469)
Finance costs	(1,090)	(3,787)	(10,419)	(443)
Listing expenses	–	(8,655)	(22,183)	–
Profit before income tax expense	36,944	79,368	90,731	23,259
Income tax expense	(5,160)	(14,627)	(23,031)	(2,784)
Profit for the year	<u>31,784</u>	<u>64,741</u>	<u>67,700</u>	<u>20,475</u>
<b>Profit for the year attributable to:</b>				
Owners of the Company	26,419	56,146	67,724	20,493
Non-controlling interests	5,365	8,595	(24)	(18)
	<u>31,784</u>	<u>64,741</u>	<u>67,700</u>	<u>20,475</u>

	31 December 2020 <i>RMB'000</i> (audited)	31 December 2021 <i>RMB'000</i> (audited)	31 December 2022 <i>RMB'000</i> (audited)	30 June 2023 <i>RMB'000</i> (unaudited)
Profit for the year	31,784	64,741	67,700	20,475
Other comprehensive income, net of tax Items that will not be reclassified to profit or loss:				
Fair value changes on financial assets at fair value through other comprehensive income	513	27,336	–	–
Other comprehensive income for the year	513	27,336	–	–
Total comprehensive income for the year	32,297	92,077	67,700	20,475
<b>Total comprehensive income for the year attributable to:</b>				
Owners of the Company	26,845	78,868	67,724	20,493
Non-controlling interests	5,452	13,209	(24)	(18)
	32,297	92,077	67,700	20,475
<b>Earnings per share attributable to the ordinary shareholder of the Company (<i>RMB</i>)</b>				
– Basic and diluted	0.041	0.088	0.102	0.026

The Company did not declare any dividend or other distributions for each of the years ended 31 December 2020, 2021 and 2022.

No modified opinion, emphasis of matter or material uncertainty relating to going concern had been given or stated in the Company's auditor's reports issued by BDO Limited in respect of the three years ended 31 December 2022.

## 2. WORKING CAPITAL

After taking into account the financial resources available to the Group, including the internally generated funds and the presently available banking facilities and other borrowings, the Directors, after due and careful enquiry, are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances. The Company has obtained the relevant confirmations from the Company's auditor as required under Rule 14.66(12) of the Listing Rules.

## 3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2023 (being the latest practicable date for the purpose of this indebtedness statement), the Group had total bank borrowings of approximately RMB50,000,000, other borrowings of approximately RMB10,000,000 and lease liabilities relating to offices leased by the Group as lessee of approximately RMB878,000. The maturity profile of the Group's bank borrowings, other borrowings and lease liabilities as at 30 November 2023 were as follows:

### Bank borrowings

	<i>RMB'000</i>
Bank borrowing – guaranteed	
– Due within one year	50,000
Total	<u>50,000</u>

	<i>RMB'000</i>
Other borrowings – secured	
– Due within one year	10,000
Total	<u>10,000</u>

### Lease liabilities

	<i>RMB'000</i>
Lease liabilities	
– Due within one year	456
– Due more than one year	422
Total	<u>878</u>

As at 30 November 2023 (being the latest practicable date for the purpose of this indebtedness statement), bank borrowings of RMB50 million were fixed rate borrowings which carried annual interest per annum at range from 4.3% per annum (“p.a.”) to 5.5% p.a. As at 30 November 2023, all bank borrowings were secured by corporate guarantee given by a subsidiary or the directors.

As at 30 November 2023 (being the latest practicable date for the purpose of this indebtedness statement), other borrowings of RMB10 million was fixed rate borrowings which carried annual interest per annum at 14.0% p.a. As at 30 November 2023, other borrowings were secured by certain trade receivables.

In respect of the outstanding borrowings of the Group as at 30 November 2023 (being the latest practicable date for the purpose of this indebtedness statement), the Directors confirmed there were no other key financial covenants relating to the Group’s borrowings as at 30 November 2023.

As at 30 November 2023 (being the latest practicable date for the purpose of this indebtedness statement), the Group, as a lessee, had lease liabilities for the remainder of the relevant lease terms amounting to approximately RMB878,000 in aggregate, all of which were unsecured and unguaranteed.

Save as disclosed above, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loan or other similar indebtedness, liabilities under acceptances or acceptance credit, debentures, hire purchase commitments, mortgages and charges, material contingent liabilities or guarantees outstanding at the close of business on 30 November 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular.

#### **4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group provides integrated marketing solutions services mainly in the PRC to a large base of customers, with particular success in the fast moving consumer goods, footwear and apparel and real estate industries. The total revenue of the Group consists of revenue from integrated marketing solution services and revenue from SaaS interactive marketing services. The Group’s integrated marketing solution services consist of five types of marketing services, namely (i) content marketing; (ii) digital marketing; (iii) public relations event planning; (iv) media advertising; and (v) SaaS interactive marketing. During the six months ended 30 June 2023, the Group’s total revenue reached approximately RMB287,607,000, a year-on-year growth of approximately 45.0% (approximately RMB198,356,000 in the same period in 2022). The increase in revenue was mainly due to the Group’s continued business expansion and improved reputation among existing and potential customers as well as the launch of the TikTok Distribution Channel this year, which has resulted in increased revenue from integrated marketing services and SaaS interactive marketing services.

In the first half of 2023, the Group has shown steady growth in overall revenue, with the proportion of income from major customers continuously increasing. The revenue from the digital marketing services, particularly through TikTok Distribution Channel is also growing steadily, paving way for our accelerated development in businesses in the second half of the year.

In the second half of 2023, the TikTok business of the Group continued to grow, and the revenue from the Group's integrated marketing services, in particular, the digital marketing services increased substantially as compared to that of the first half of 2023. During the second half of 2023, the Group had focused on intensifying its efforts on key customers, further expanding its integrated marketing services by increasing its efforts in developing the TikTok Distribution Channel and developing new customers to enrich its customer base. Going forward, the Group will continue to drive its business growth by optimising operational capabilities to assist customers in reducing the cost of customer acquisition, and enhancing the Group's return on investment. In addition, the Group will also continue to explore various cooperation models such as agency operation, distribution, and dealership to help customers improve their sales through short videos, live streaming, and influencer distribution.

## 5. MATERIAL CHANGE

The Directors confirm that, save as disclosed below, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

- (i) as disclosed in the interim report of the Company (the "**2023 Interim Report**") for the six months ended 30 June 2023 ("**6M2023**"), the Group's revenue was approximately RMB287.6 million, representing an increase of approximately 45.0% from approximately RMB198.4 million for the six months ended 30 June 2022 ("**6M2022**"), which was mainly due to the Group's continued business expansion and improved reputation among existing and potential customers as well as the launch of the new TikTok Distribution Channel in 2023. The revenue of the Group is expected to continue to grow along with the Group's business expansion and the increasing demand for the Group's integrated marketing services as a result of the launch of the TikTok distribution channel in March 2023;

- (ii) as disclosed in the 2023 Interim Report, the gross profit margin of the Group and profitable attributable to the Shareholders were affected by (a) the low gross margin of the Group's cooperation with TikTok as its first-tier agent; and (b) the Group's increased exclusive customised outsourcing fees for SaaS interactive marketing services;
- (iii) as disclosed in the 2023 Interim Report, the Group recorded net cash used in operating activities of approximately RMB168.7 million for 6M2023, as compared to net cash generated from operating activities of approximately RMB20.6 million for 6M2022, which was mainly due to the increase in the Group's prepayments, deposits and other receivables in line with the expansion of the Group's integrated marketing services business;
- (iv) as disclosed in the 2023 Interim Report, the Group recorded net cash used in financing activities of approximately RMB40.4 million for 6M2023, as compared to net cash generated from financing activities of approximately RMB22.5 million, which was mainly due to the Group's repayment of certain bank borrowings and convertible bonds in 2023;
- (v) as disclosed in the announcement of the Company dated 5 December 2023, the Group is in the course of applying for credit lines of RMB180 million in aggregate from banks, which if materialised and drawn down, would increase gearing ratio and finance costs of the Group; and
- (vi) as disclosed in the announcement of the Company dated 14 December 2023, the Company, through its indirect wholly-owned subsidiary, Xiamen Instant Interactive, has entered into a cooperation agreement with Shanghai Yuzheng on 14 December 2023 in relation to the formation of the JV Company, pursuant to which, among others, Xiamen Instant Interactive has committed to make a capital contribution of RMB47 million in cash to the JV Company. According to the aforesaid agreement, such capital contribution has to be made by Xiamen Instant Interactive by May 2024.

**(A) UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS**

The following is the unaudited pro forma statement of adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the proposed open offer of 400,000,000 offer shares at the subscription price of HK\$0.15 per offer share (the “**Open Offer**”), on the basis of one offer share for every two existing shares held on the Record Date, on the unaudited consolidated net tangible assets of the Group as at 30 June 2023 as if the Open Offer had been taken place on 30 June 2023.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2023 as extracted from the published interim report of the Company for the six months ended 30 June 2023, with adjustment described below.

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company had the Open Offer been completed on 30 June 2023 or any future date.

	Unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 (Note 1) RMB'000	Estimated net proceeds from the Open Offer (Notes 2 & 5) RMB'000	Unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Open Offer RMB'000	Unaudited consolidated net tangible assets per share attributable to owners of the Company before the completion of the Open Offer (Note 3) RMB	Unaudited pro forma adjusted unaudited consolidated net tangible assets per share attributable to owners of the Company immediately after the completion of the Open Offer (Note 4) RMB	Unaudited pro forma adjusted unaudited consolidated net tangible assets per share attributable to owners of the Company immediately after the completion of the Open Offer (Note 5) HK\$
Based on 400,000,000 offer shares to be issued at the subscription price of HK\$0.15 per offer share	465,207	52,651	517,858	0.5815	0.4315	0.4733

*Notes:*

- 1) The amount of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 was approximately RMB465,207,000, which is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2023 of RMB563,840,000, adjusted by intangible assets of RMB98,633,000 as shown on the unaudited consolidated statement of financial position of the Group as at 30 June 2023, as extracted from the published interim report of the Company for the six months ended 30 June 2023.
- 2) The estimated net proceeds from the Open Offer of approximately RMB52,651,000 are based on 400,000,000 offer shares to be issued, on the basis of one offer share for every two existing shares at the subscription price of HK\$0.15 per offer share, after deduction of the estimated related expenses, including among others, transaction fees, which are directly attributable to the Open Offer, of approximately RMB2,045,000.
- 3) The unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company before the completion of the Open Offer is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 of approximately RMB465,207,000 as set out in note 1 above, divided by 800,000,000 shares in issue as at 30 June 2023.
- 4) The unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after the completion of the Open Offer is determined based on the unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 immediately after the Open Offer had taken place of approximately RMB517,858,000 divided by 1,200,000,000 shares which comprise 800,000,000 shares in issue as at 30 June 2023 and 400,000,000 offer shares to be issued under the Open Offer.
- 5) For the purpose of the Unaudited Pro Forma Financial Information, conversion of RMB and HK\$ is calculated at the exchange rate of RMB0.9116 to HK\$1.0. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, may be exchanged at this or any other rate or at all.
- 6) No adjustment has been made to reflect any trading or other transactions of the Group entered into subsequent to 30 June 2023.

**(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**To the directors of Many Idea Cloud Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Many Idea Cloud Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Appendix II to the circular issued by the Company dated 25 January 2024 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the proposed open offer on the basis of one offer shares for every two existing shares held on the record date at the subscription price of HK\$0.15 per offer share (“**Open Offer**”) on the Group’s unaudited consolidated net tangible assets attributable to owners of the Company as at 30 June 2023 as if the Open Offer had taken place at 30 June 2023. As part of this process, information about the Group’s net tangible assets attributable to owners of the Company has been extracted by the Directors from the Group’s unaudited consolidated financial statements for the six months ended 30 June 2023, on which an interim report has been published.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Open Offer at 30 June 2023 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**BDO Limited**

*Certified Public Accountants*

Hong Kong, 25 January 2024

## 1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Open Offer (assuming no further issue of Shares from the Latest Practicable Date up to the completion of the Open Offer) was and will be as follows:

### (i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.0001 each	<u>1,000,000</u>
<i>Issued and fully paid:</i>		
<u>800,000,000</u>	Shares of HK\$0.0001 each	<u>80,000</u>

### (ii) Immediately following the completion of the Open Offer (assuming no further issue of Shares from the Latest Practicable Date up to the completion of the Open Offer)

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.0001 each	<u>1,000,000</u>
<i>Issued and fully paid:</i>		
<u>800,000,000</u>	Shares of HK\$0.0001 each	<u>80,000</u>
<i>Maximum number of Offer Shares to be issued:</i>		
<u>400,000,000</u>	Shares of HK\$0.0001 each	<u>40,000</u>
<i>Maximum number of Shares in issue immediately following completion of the Open Offer issued:</i>		
<u>1,200,000,000</u>	Shares of HK\$0.0001 each	<u>120,000</u>

All the issued Shares in the capital of the Company rank *pari passu* with each other in all respects with the Shares then in issue.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are or will be waived or agreed to be waived.

No share or loan capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no other outstanding shares, options, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible into Shares.

Since 31 December 2022, the date to which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date, no Shares have been allotted and issued by the Company.

### 3. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Set out below are the particulars and biographies of the existing Directors and senior management of the Company:

#### (a) Particulars of the Directors and senior management of the Company

Name	Address
<i>Executive Directors</i>	
Mr. Liu Jianhui	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Ms. Qu Shuo	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Mr. Chen Shancheng	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Mr. Chen Zeming	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong

<b>Name</b>	<b>Address</b>
<i>Non-executive Director</i>	
Ms. Liu Hong	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
<i>Independent non-executive Directors</i>	
Ms. Wang Yingbin	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Ms. Wong Yan Ki, Angel	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Mr. Tian Tao	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Ms. Xiao Huilin	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
<i>Senior Management</i>	
Ms. Wang Bifeng	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Ms. Zhang Yan	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Mr. Huang Xihuang	2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong
Ms. Tang Wing Shan Winza	46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong

**(b) Biographies of the Directors and senior management of the Company***Executive Directors**Mr. Liu Jianhui (“Mr. Liu”)*

Aged 38, is the chairman of the Board, the chief executive officer, an executive Director, one of the Controlling Shareholders and co-founder of the Group. He was appointed as a Director on 10 June 2021. Mr. Liu is responsible for the overall management and strategic planning of the Group. Mr. Liu is a director of each of Jiangxi Meita Culture Communication Co., Ltd.\* (江西鎂塔文化傳播有限公司) (“**Jiangxi Meita**”), Xiamen Second Future Technology Co., Ltd.\* (廈門第二未來科技有限公司) (“**Xiamen Second Future**”), Xinjiang Kashi Lianjie Culture Communication Co., Ltd.\* (新疆喀什聯界文化傳播有限公司) (“**Xinjiang Kashi**”), Beijing Many Idea Cloud Technology Co., Ltd.\* (北京多想雲科技有限公司) (“**Beijing Many Idea Cloud**”), and Quanzhou Many Idea Interactive Culture Communication Co., Ltd.\* (泉州多想互動文化傳播有限公司) (“**Quanzhou Many Idea**”). He is the spouse of Ms. Qu Shuo. Mr. Liu graduated from Huaqiao University\* (華僑大學), the PRC with a bachelor’s degree in information management and system in June 2008, where he acquired and accumulated knowledge and experience in certain areas in integrated marketing services with the use of information management system. Further, since the establishment of Good Idea Interactive (Xiamen) Culture Communication Co., Ltd.\* (好想互動(廈門)文化傳播股份有限公司) (formerly known as Xiamen Many Idea Interactive Co., Ltd.\* (廈門多想互動文化傳播股份有限公司)) (“**Xiamen Many Idea**”), Mr. Liu has gained experience in operation of business of integrated marketing services through, amongst others, organising large scale events such as concerts of popular singers and other marketing events. Mr. Liu has completed advanced study courses in PBC School of Finance, Tsinghua University, including (i) PBC School of Finance, Tsinghua University Industry and Finance CEO Training Programme, and (ii) Cultural and Creative Financial Leadership Programme. Mr. Liu is also pursuing another advanced study course in PBC School of Finance, Tsinghua University in relation to Scientific Entrepreneur Programme.

*Ms. Qu Shuo (“Ms. Qu”)*

Aged 37, is an executive Director and one of the Controlling Shareholders. Ms. Qu is primarily responsible for supervising daily operation of the Group. She was appointed as a Director on 22 December 2021. She is the spouse of Mr. Liu. Ms. Qu obtained her bachelor’s degree in marketing in June 2008 from Huaqiao University, the PRC, where she acquired and accumulated knowledge and experience in certain areas in marketing, and a certificate of international investment and financing and capital operation from Xiamen University, the PRC in July 2017. Further, since the establishment of Xiamen Many Idea, Ms. Qu has gained further experience in operation of business of integrated marketing services through, amongst others, organising large-scale events such as concerts of popular singers and other marketing events.

*Mr. Chen Shancheng (“Mr. Chen SC”)*

Aged 42, is an executive Director. He was appointed as a Director on 22 December 2021. Mr. Chen SC is primarily responsible for analysing and planning business strategies and looking for investment and acquisition opportunities for the Group. Prior to joining the Group, from August 2011 to June 2014, Mr. Chen SC served as a financial controller of A’ba State Zhonghe New Energy Co., Ltd. (formerly known as A’ba Prefecture Minfeng Lithium Industry Co., Ltd.) and Malkang Jinxin Mining Co., Ltd., a subsidiary of A’ba Prefecture Zhonghe New Energy Co., Ltd. Mr. Chen SC gained his strategic planning and investment experience through, for example, participating in certain investment projects involving negotiations, building financial models and reviewing financial statements of target activities and assets. From July 2014 to August 2015, Mr. Chen SC worked as a financial controller in Hengxing Gold Holding Company Limited (a company listed on the Stock Exchange up to January 2021 (former stock code: 2303)), a gold producer where he was responsible for, amongst others, exploring business and investment opportunities and reviewing investment projects with a view to recommending appropriate investment and planning decisions. From August 2015 to February 2017, he worked as a general manager in Xiamen Deep Century Investment Management Partnership (Limited Partnership), an investment management partnership firm. Mr. Chen SC obtained his bachelor’s degree in accounting and master’s degree in master of professional accounting from Xiamen University\* (廈門大學), the PRC in July 2004 and June 2014, respectively. He is currently pursuing doctorate degree in business administration from a joint programme held by Shanghai Jiao Tong University\* (上海交通大學) and Singapore Management University (新加坡管理大學\*) in the PRC.

*Mr. Chen Zeming (“Mr. Chen ZM”)*

Aged 34, is an executive Director. He was appointed as our Director on 22 December 2021. Mr. Chen ZM is primarily responsible for overseeing the project planning and operation of the Group. Mr. Chen ZM holds diploma degree in advertising design and production obtained from Quanzhou Huaguang Vocational College of Photography and Art\* (泉州華光攝影藝術職業學院), the PRC in June 2011. Shortly after graduation, Mr. Chen ZM joined the Group and was responsible for project management in May 2012. Since joining the Group, Mr. Chen ZM has further acquired experience in the operation of the business of integrated marketing services through, amongst others, organising large-scale events such as concerts of popular singers and other marketing events. Mr. Chen ZM graduated from Communication University of China\* (中國傳媒大學), the PRC with a bachelor’s degree in business management in July 2021 through distance learning.

*Non-executive Director*

*Ms. Liu Hong (“Ms. Liu”)*

Aged 30, was appointed as a non-executive Director on 10 January 2024. Ms. Liu has over 7 years of experience in corporate and enterprise management. Since February 2016, she has been an executive director and investor of Guiyang Dunxilu Tourism Co., Ltd.\* (貴陽市登喜路旅業有限公司), a company established in the PRC with business focus on, amongst others, tourism, catering and catering management. She is currently an investor of Guangdong Huaminghui Culture and Art Co., Ltd.\* (廣東華茗匯文化藝術有限公司), a company established in the PRC with business focus on, amongst others, culture and arts exchange activities, management of cultural venues and provision of exhibition and conferencing services. She has been appointed as the vice president (副總裁) of the PRC area of Versailles Hotel Chain Management Co., Ltd.\* (凡爾賽連鎖酒店管理有限公司), a company established in the PRC with hotel operation in the PRC, since July 2023. Ms. Liu obtained the advanced diploma in Business and Administration conferred by Excel London College (Shatin), Hong Kong in January 2024.

*Independent Non-executive Directors*

*Ms. Wang Yingbin (“Ms. Wang”)*

Aged 48, was appointed as an independent non-executive Director on 12 October 2022. Ms. Wang is the chairperson of the remuneration committee and a member of both the audit committee and the nomination committee of the Company. Since August 2011, Ms. Wang has been serving as a senior engineer at the School of Life Sciences of Xiamen University in the PRC. Since December 2018 and January 2019, Ms. Wang has served as a union president and a senior engineer at School of Public Health of Xiamen University in the PRC, respectively. Ms. Wang has served as an independent non-executive director of Fujian Sanmu Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange (stock code: 000632)), Xiamen Solex High-tech Industries Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 603992)) and Xiamen Yanjan New Material Co., Ltd.\* (廈門延江新材料股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300658)), since June 2019, May 2020 and August 2021, respectively. Ms. Wang graduated from the Third Institute of Oceanography, Ministry of Natural Resources\* (自然資源部第三海洋研究所), the PRC with a master’s degree in marine biology in August 2001.

*Ms. Wong Yan Ki, Angel (“Ms. Wong”)*

Aged 52, was appointed as an independent non-executive Director on 12 October 2022. Ms. Wong is the chairperson of the audit committee of the Company and a member of the remuneration committee and nomination committee. Ms. Wong has more than 25 years of experience in corporate

finance and capital market activities. Ms. Wong has been an independent non-executive director of Betta Pharmaceuticals Co., Ltd.\* (貝達藥業股份有限公司) (a company listed on Shenzhen Stock Exchange (stock code: 300558)) since January 2021, and an independent non-executive director of Bit Mining Limited) (formerly known as 500.com Limited (a company listed on New York Stock Exchange with ticker symbol: BTCM) since November 2015. Ms. Wong has been the president and executive director of Advanced Capital Limited since November 2007, where she provides consultancy services for both listed companies and companies preparing for listing. Previously, Ms. Wong served as an independent non-executive director of Hengxing Gold Holding Company Limited\* (恆興黃金控股有限公司) (a company listed on the Stock Exchange up to January 2021 (former stock code: 2303)) from March 2013 to February 2021. Ms. Wong has been admitted as fellow member of CPA Australia since May 2017, fellow member (FIPA, Australia) of the Institute of Public Accountants since April 2015, member of the Hong Kong Institute of Directors since November 2014, full member of the Society of Registered Financial Planners in Hong Kong since November 2003, and fellow member of the Institute of Financial Accountants in the United Kingdom since October 2003. Ms. Wong obtained a bachelor's degree in international accounting from Xiamen University in the PRC in July 1994, a postgraduate certificate in professional accounting from City University of Hong Kong in Hong Kong in November 2000 and a master's degree in executive MBA from Cheung Kong Graduate School of Business in the PRC in October 2009.

*Mr. Tian Tao ("Mr. Tian")*

Aged 65, was appointed as an independent non-executive Director on 12 October 2022. Mr. Tian is the chairperson of the nomination committee of the Company and a member of the remuneration committee and audit committee. From February 1999 to November 2015, Mr. Tian was the vice general manager of CVSCTNS Research Co Ltd. From November 2015 to June 2017, he was the president of Zhongguang Xincheng Information Technology Co., Ltd. From July 2017 to August 2018, he was the president of the Beijing office of Nielsen-CCData Media Research Services Co., Ltd.\* (尼爾森網聯媒介數據服務有限公司北京分公司). Since September 2018, he has been serving as the president of Zhongguang Rongxin Media Consulting (Beijing) Co., Ltd.\* (中廣融信媒介諮詢(北京)有限公司). Mr. Tian has served as an independent non-executive director of Icon Culture Global Company Limited\* (天泓文創國際集團有限公司) (a company listed on the GEM of the Stock Exchange (stock code: 8500)) since December 2019.

*Ms. Xiao Huilin ("Ms. Xiao")*

Aged 45, was appointed as an independent non-executive Director on 15 February 2023. Ms. Xiao received a Bachelor of Arts (Literature) from Beijing Foreign Studies University, the PRC in 2002, and a Master of Philosophy in Economics (MPhil) and a Doctor of Philosophy in International Business from the University of Sydney, Australia, in 2005 and 2008, respectively. From 2010

to 2011, she worked as a postdoctoral research fellow at City University of Hong Kong from 2010 to 2011, where she was responsible for, amongst others, researching on the unparalleled opportunities of international trade and commerce and investment along the Belt and Road Initiative. Ms. Xiao currently serves as an associate professor at the School of Business Administration, Southwest University of Finance and Economics. Ms. Xiao has extensive knowledge and experience in international trade and investment. She served as Associate Dean of the School of International Development Cooperation, University of International Business and Economics from June 2020 to November 2021. She worked as a part-time researcher and associate researcher at the Organization for Economic Co-operation and Development (OECD) and the School of Business and Law, University of Newcastle, Australia, from March 2004 to March 2006 and March 2008 to December 2009, respectively.

#### *Senior Management*

##### *Ms. Wang Bifeng (“Ms. Wang BF”)*

Aged 36, is our financial controller, and is primarily responsible for overseeing the accounting and financial management of the Group. Ms. Wang BF joined us in March 2017, and had served as a deputy finance manager until March 2021 before she was redesignated as the position of financial controller. From September 2009 to August 2016, Ms. Wang BF served as a financial manager of Empereur\* (華祥苑茶業股份有限公司), a company principally engaged in business of processing refined tea. Ms. Wang BF obtained a college degree in computerised accounting from Xiamen Huatian International Vocation Institute\* (廈門華天涉外職業技術學院), the PRC in July 2009. Ms. Wang BF graduated from Xiamen University\* (廈門大學), the PRC with a bachelor’s degree in accounting in December 2016 through distance learning. Ms. Wang BF does not have any current or past directorship in any listed companies in the last three years.

##### *Ms. Zhang Yan (“Ms. Zhang”)*

Aged 39, is our deputy general manager, and is primarily responsible for overall strategic planning, business direction and operational management of the Group. Ms. Zhang joined the Group as a deputy director for human resources and general administrative in Xiamen Many Idea in September 2016. Ms. Zhang was appointed as the deputy general manager of the Group in January 2021. Prior to joining the Group, Ms. Zhang was the head of the shipping department in Xiamen Longyun Shipping Co., Ltd.\* (廈門隆運船務有限公司) from July 2006 to November 2013. Ms. Zhang worked at Fujian Sinotrans Shipping Agency Co., Ltd. Xiamen Branch\* (福建中外運船務代理有限公司廈門分公司) from December 2014 to April 2016, with her last position as head of accounting. Ms. Zhang obtained her college diploma in international trade from Xiamen University of Technology, the PRC in July 2006.

*Mr. Huang Xihuang (“Mr. Huang”)*

Aged 42, is our director for research and development, and is primarily responsible for the development and implementation of technological strategies, and management of the research team and system of the Group. Mr. Huang joined our Group and has been appointed as a director for the technical department since November 2018. Prior to joining the Group, Mr. Huang was the research and development engineer and at Xiamen Yaxon Networks Co., Ltd.\* (廈門雅迅網絡股份有限公司). From June 2011 to March 2018, he was employed as a research and development engineer by Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.\* (摩托羅拉移動互聯科技(廈門)有限公司) (formerly known as Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.\* (聯想移動互聯科技(廈門)有限公司)). Mr. Huang obtained his bachelor’s degree in communication engineering in June 2003 and his master’s degree in information and communication engineering in March 2006 from Zhejiang University\* (浙江大學), the PRC. He further received a master’s degree in business management from Xiamen University\* (廈門大學), the PRC in June 2017. He obtained a qualification certificate of senior engineer specialist in electronic engineering from Fujian Human Resources and Social Security Bureau\* (福建省人力資源和社會保障廳) in October 2017. Mr. Huang does not have any current or past directorship in any listed companies in the last three years.

*Ms. Tang Wing Shan Winza (“Ms. Tang”)*

Joined the Group as our company secretary on 21 January 2022. Ms. Tang is the assistant vice president of the governance services of Computershare Hong Kong Investor Services Limited, a professional corporate secretarial service provider in Hong Kong. She has more than 10 years of experience in company secretarial services. Ms. Tang holds a bachelor’s degree in laws awarded by City University of Hong Kong, Hong Kong and a master’s degree in corporate governance awarded by London South Bank University in the United Kingdom. She is an associate member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute.

#### 4. DISCLOSURE OF INTERESTS

##### (i) Interests of Directors

As at the Latest Practicable Date, the interests and 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 (i) 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 they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the

Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange were as follows:

Name of Directors	Capacity	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company <sup>(1)</sup>
Mr. Liu	Interest in controlled corporation <sup>(2)</sup>	466,502,408 (L)	38.88
	Interest in controlled corporation <sup>(3)</sup>	189,496,328 (L)	15.79
	Interest of spouse <sup>(4)</sup>	2,368,645 (L)	0.20
Ms. Qu	Interest of spouse <sup>(4)</sup>	466,502,408 (L)	38.88
	Interest of spouse <sup>(4)</sup>	189,496,328 (L)	15.79
	Interest in controlled corporation <sup>(5)</sup>	2,368,645 (L)	0.20
Mr. Chen SC	Interest in controlled corporation <sup>(6)</sup>	15,119,887 (L)	1.89
Mr. Chen ZM	Interest in controlled corporation <sup>(7)</sup>	1,963,278 (L)	0.25

Notes:

(L) denotes long positions.

- In respect of Mr. Liu and Ms. Qu’s shareholding percentage, the calculation is based on the enlarged total number of 1,200,000,000 Shares in issue immediately upon the Open Offer Completion. In respect of other shareholding percentages stated above, the calculation is based on the total number of 800,000,000 Shares in issue as at the Latest Practicable Date.
- The said shares were held in the name of Many Idea Liujianhui. Many Idea Liujianhui is an investment holding company beneficially and wholly owned by Mr. Liu. Under the Takeovers Code, Mr. Liu is a party acting in concert with Many Idea Liujianhui by virtue of his shareholding in Many Idea Liujianhui. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of Many Idea Liujianhui.
- The said Shares were held in the name of Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership) (“**Xiamen Dream Future**”). Xiamen Dream Future is owned as to 90% by Zhangjiajie Lejian Many Idea Network Technology Centre (Limited Partnership) (“**ZJJ Many Idea**”), 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
- As Mr. Liu is the spouse of Ms. Qu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other.
- The said Shares were held in the name of Many Idea Qushuo. The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.
- The said Shares were held in the name of Many Idea ChenShancheng Limited. The entire issued share capital of Many Idea ChenShancheng Limited is wholly owned by Mr. Chen SC. Accordingly, Mr. Chen SC is deemed to be interested in such number of Shares held by Many Idea ChenShancheng Limited by virtue of the SFO.
- The said Shares were held in the name of Many Idea ChenZeming Limited. The entire issued share capital of Many Idea ChenZeming Limited is wholly owned by Mr. Chen ZM. Accordingly, Mr. Chen ZM is deemed to be interested in such number of Shares held by Many Idea ChenZeming Limited by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, no other Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (i) 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 the interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## (ii) Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company under section 336 of the SFO:

Name of Shareholders	Capacity	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company <sup>(1)</sup>
Many Idea Liujianhui	Beneficial owner <sup>(2)</sup>	466,502,408	38.88
ZJJ Many Idea	Beneficial owner <sup>(3)</sup>	466,502,408	38.88
Xiamen Dream Future	Interest in controlled corporation <sup>(3)</sup>	189,496,328	15.79
Many Idea Qushuo	Beneficial owner <sup>(4)</sup>	2,368,645	0.20

Notes:

(L) denotes long positions.

- The calculation is based on the enlarged total number of 1,200,000,000 Shares in issue immediately upon the Open Offer Completion.
- The said shares were held in the name of Many Idea Liujianhui. Many Idea Liujianhui is an investment holding company beneficially and wholly owned by Mr. Liu. Under the Takeovers Code, Mr. Liu is a party acting in concert with Many Idea Liujianhui by virtue of his shareholding in Many Idea Liujianhui. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of Many Idea Liujianhui.
- The said Shares were held in the name of Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership) ("**Xiamen Dream Future**"). Xiamen Dream Future is owned as to 90% by Zhangjiajie Lejian Many Idea Network Technology Centre (Limited Partnership) ("**ZJJ Many Idea**"), 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
- The said Shares were held in the name of Many Idea Qushuo. The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## 5. MARKET PRICES

The table below sets out the closing prices of the Shares on the Stock Exchange (i) on the last trading day of each of the calendar months during the period commencing on the date falling six months preceding 28 December 2023, being the date of the Announcement, up to and including the Latest Practicable Date (the “**Relevant Period**”); (ii) on the last Business Day immediately preceding the date of the Announcement; and (iii) on the Latest Practicable Date:

Date	Closing price per Share HK\$
30 June 2023	0.390
31 July 2023	0.365
31 August 2023	0.330
29 September 2023	0.295
31 October 2023	0.290
30 November 2023	0.290
27 December 2023 (being the last trading day immediately preceding the date of the Announcement)	0.217
29 December 2023	0.203
22 January 2024 (being the Latest Practicable Date)	0.152

The highest and lowest closing market prices of the Shares recorded on the Stock Exchange during the Relevant Period were HK\$0.410 on 3 July 2023 and HK\$0.152 on 22 January 2024 respectively.

## 6. DISCLOSURES REQUIRED UNDER THE TAKEOVERS CODE

As at the Latest Practicable Date:

- (a) save as disclosed in the shareholding structure table as set out in the section headed “Effect of the Open Offer on the shareholding structure of the Company” in the “Letter from the Board” of this circular, none of the Directors and the Underwriter and any parties acting in concert with the Underwriter own, control or have control or direction over any voting rights and rights over shares, convertible securities, warrants, options or derivatives of the Company, or hold any relevant securities in the Company (the “**Relevant Securities**”), and had not dealt for value in any Relevant Securities in the Company during the Relevant Period;

- (b) there was no agreement, arrangement or understanding pursuant to which the Open Offer Shares to be underwritten by the Underwriter under the Open Offer will be transferred, charged or pledged to other persons;
- (c) no person had irrevocably committed themselves to vote for or against the resolutions to be proposed at the EGM to approve the Open Offer, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver;
- (d) save for the Irrevocable Undertakings given by the Undertaking Providers, the Company has not received any irrevocable commitment from any Shareholders to accept or reject the relevant Open Offer Shares to be provisionally allotted to the relevant party under the Open Offer;
- (e) save for the Underwriting Agreement entered into between the Company and the Underwriter, the Placing Agreement entered into between the Company and the Placing Agent and the Irrevocable Undertakings given by the Undertaking Providers and any parties acting in concert with the Underwriter do not have any arrangements referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise), with any other persons in relation to the Relevant Securities of the Company, which might be material to the Open Offer and/or the Underwriting Agreement and/or the Placing Agreement and/or the Whitewash Waiver;
- (f) the Placing Agents do not own or control or have control or direction over any Relevant Securities of the Company and had not dealt for value in any such securities of the Company during the Relevant Period;
- (g) the Underwriter and any parties acting in concert with it, the Company and the Directors have not borrowed or lent any Relevant Securities of the Company;
- (h) no agreement, arrangement or understanding (including any compensation arrangement) existed among the Underwriter or any parties acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Open Offer, the Placing Agreements, the Underwriting Agreement and the Whitewash Waiver;
- (i) save that the Open Offer, the Underwriting Agreement and the Placing Agreement are conditional upon, among other things, obtaining of the Whitewash Waiver by the Underwriter and the consent from the Executive, as set out in the "Letter from the Board" contained in this circular, there is no agreement or arrangement to which the Underwriter or any parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer and/or the Underwriting Agreement and/or the Placing Agreement and/or the Whitewash Waiver;

- (j) save as disclosed in the paragraph headed “4. Disclosure of Interest” in this Appendix III, no Director was interested in any relevant securities in the Company and none of them had dealt for value in any relevant securities in the Company during the Relevant Period;
- (k) no (i) subsidiary of the Company, (ii) pension fund of the Company or any of its subsidiaries, or (iii) person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate in the Takeovers Code (but excluding exempt principal traders and exempt fund managers), held, owned or controlled any relevant securities in the Company;
- (l) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code;
- (m) no relevant securities in the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (n) the Underwriter, Mr Liu, and parties acting in concert with any of them, including the Undertaking Providers, Mr. Chen Shancheng and Mr. Chen Zeming (amongst them, four are Directors, namely Mr. Liu, Ms. Qu, Mr. Chen Shancheng and Mr. Chen Zeming), and those who are involved in or interested in the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver will abstain from voting on the resolutions to approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver at the EGM. Save as aforesaid, no person will be required to abstain from voting on the resolutions approving the Open Offer, the Underwriting Agreement, the Placing Agreement, the Whitewash Waiver and the transactions contemplated thereunder in the EGM. In addition, no person had irrevocably committed themselves to vote in favour of or against the resolutions the Open Offer, the Underwriting Agreement, the Placing Agreement, the Whitewash Waiver and the transactions contemplated thereunder the at the EGM;
- (o) no relevant securities in the Company were borrowed or lent by any of the Directors or by the Company or by the Underwriter or parties acting in concert with it;

- (p) there was no agreement or arrangement between any of the Directors and any other person which was conditional on or dependent upon the outcome of the Open Offer, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder and the Whitewash Waiver or otherwise connected with the Open Offer, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder and the Whitewash Waiver;
- (q) no benefit had been given or will be given to any Director as compensation for loss of office or otherwise in connection with the Open Offer, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver;
- (r) save for Mr. Liu, Ms. Qu who are interested in the Open Offer, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver, there was no material contract entered into by the Underwriter and parties acting in concert with it in which any Director had a material personal interest;
- (s) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code;
- (t) apart from the placing commission payable by the Company to the Placing Agent pursuant to the terms of the Placing Agreement, the Company has not paid and will not pay any other consideration, compensation or benefit in whatever form to the Underwriter and parties acting in concert with it in connection with the Open Offer; and
- (u) apart from the Underwriting Agreement, the Irrevocable Undertakings and the Placing Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Group on the one hand, and the Underwriter and parties acting in concert with it on the other hand.

#### **7. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS AND ASSETS**

As at the Latest Practicable Date, save for the Underwriting Agreement in which Mr. Liu is interested, and the Irrevocable Undertakings given by Mr. Liu and Ms. Qu, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any interest, directly or indirectly, in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

#### 8. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, except for Ms. Liu Hong who entered into a service contract in connection with her appointment as a non-executive Director on 10 January 2024, none of the Directors had entered into service contracts with the Company or any subsidiary or associated company of the Company which (including continuous and fixed term contracts) had been entered into or amended within the Relevant Period. The Company entered into a service agreement with Ms. Liu Hong on 10 January 2024 for a term of 3 years (i.e., expiring on 9 January 2027) for her appointment as non-executive Director of the Company, which can be terminated by either the Company or Ms. Liu Hong by giving to the other party not less than three months' prior written notice. Pursuant to the service agreement, Ms. Liu Hong is entitled to a fixed remuneration of HK\$10,000 per month. No amount of variable remuneration is payable under such service agreement.

As at the Latest Practicable Date, none of the Directors entered into a service contract which: (a) are continuous contracts with a notice period of 12 months or more; (b) are fixed term contracts with more than 12 months to run irrespective of the notice period; or (c) are not determinable by the employer within one year without payment of compensation (other than statutory compensation).

#### 9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into the ordinary course of business of the Group) have been entered into by the members of the Group within two years immediately preceding 28 December 2023 (being the date of the Announcement) which are or may be material:

- (i) a share subscription agreement (股份認購協議) (in Chinese) dated 24 January 2022 entered into amongst the Company, Asia One Developments Co., Ltd. ("Asia One") and Mr. Liu whereby, amongst others, Asia One agreed to subscribe for and the Company agreed to issue 2,461,841 Shares at the consideration of US\$11,000,000;
- (ii) a convertible loan agreement (可轉債協議) dated 26 January 2022 entered into between the Company and ZGC International Limited ("ZGC") whereby ZGC agreed to grant the Company a loan in the sum of USD5,000,000 ("Pre-HKIPO Loan 1")<sup>(Note)</sup>;
- (iii) a convertible loan agreement (可轉債協議) dated 26 January 2022 entered into between the Company and Many Idea Xue Jun Limited whereby Many Idea Xue Jun Limited agreed to grant the Company a loan in the sum of USD1,000,000 ("Pre-HKIPO Loan 2")<sup>(Note)</sup>;

- (iv) a convertible loan agreement (可轉債協議) dated 24 January 2022 entered into between the Company and Huirong Gold Control Limited (“**Huirong**”) whereby Huirong agreed to grant the Company a loan in the sum of USD600,000 (“**Pre-HKIPO Loan 3**”)<sup>(Note)</sup>;
- (v) a convertible loan agreement (可轉債協議) dated 27 January 2022 entered into between the Company and Great Earn International Limited (“**GEI**”) whereby GEI agreed to grant the Company a loan in the sum of HK\$3,000,000 (“**Pre-HKIPO Loan 4**”, together with Pre-HKIPO Loan 1, Pre-HKIPO Loan 2 and Pre-HKIPO Loan 3, collectively the “**Pre-HKIPO Loans**”)<sup>(Note)</sup>;
- (vi) the deed of non-competition dated 12 October 2022 and executed by the Controlling Shareholders in favour of the Company;
- (vii) the deed of indemnity dated 12 October 2022 and executed by the Controlling Shareholders in favour of the Company and the subsidiaries to provide certain indemnities at nil consideration;
- (viii) a cornerstone investment agreement (基石投資協議) (in Chinese) dated 26 October 2022 entered into amongst the Company, Zhongtai International Capital Limited, Sunfund Securities Limited and Lai Shixian (賴世賢) (the “**Cornerstone Investor**”), pursuant to which the Cornerstone Investor has agreed to, subject to certain conditions, subscribe at the offer price for such number of the offer shares under the Global Offering (rounded down to the nearest whole board lot of 2,000 Shares) that may be placed for an aggregate amount of HK\$10,000,000 (excluding brokerage, SFC transaction levy, the Stock Exchange trading fee and Accounting and Financial Reporting Council transaction levy);
- (ix) the underwriting agreement dated 27 October 2022, relating to the offer of the 16,000,000 Shares being initially offered by the Company for subscription by the public in Hong Kong (the “**Hong Kong Public Offering**”), entered into among Zhongtai International Securities Limited, Sunfund Securities Limited, CLSA Limited, Zheshang International Financial Holdings Co., Limited, SPDB International Capital Limited, BOCOM International Securities Limited, Shenwan Hongyuan Securities (H.K.) Limited, China Industrial Securities International Capital Limited, Guotai Junan Securities (Hong Kong) Limited, First Shanghai Securities Limited, Maxa Capital Limited, Valuable Capital Limited, West Bull Securities Limited, Goldlink Securities Limited, ZMF Asset Management Limited, Tiger Brokers (HK) Global Limited, Livermore Holdings Limited (together, the “**IPO Underwriters**”), Zhongtai International Capital Limited, the Company, the Controlling Shareholders, the executive Directors and Ms. Huang Tingting, the then executive Director;
- (x) the underwriting agreement dated 3 November 2022, relating to the conditional placing of the 144,000,000 Shares being initially offered for subscription outside the United States in offshore transactions in accordance

with Regulation S under the Regulation S under the U.S. Securities Act (the “**International Offering**”), entered into among the IPO Underwriters, Zhongtai International Capital Limited, the Company, the Controlling Shareholders, the executive Directors and Ms. Huang Tingting, the then executive Director;

(xi) the Irrevocable Undertakings;

(xii) the Placing Agreement; and

(xiii) the Underwriting Agreement.

*Note:*

1. As at the close of business on 31 January 2023, the convertible loan agreements have expired and the Pre-HKIPO Loans have matured, the conversion right attached to the Pre-HKIPO Loans can no longer be exercised on maturity of the Pre-HKIPO Loans.

## 10. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

## 11. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinions or advices contained in this circular:

<b>Name</b>	<b>Qualification</b>
Rainbow Capital (HK) Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
SPDB International Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the above experts was beneficially interested in the share capital of any member of the Group nor did they have any rights or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, none of the above experts have any direct or indirect interest in any assets which have been, since 31 December 2022, i.e. the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to, or proposed to be acquired or disposed of by, or leased to, any members of the Group.

## 12. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE OPEN OFFER

<b>Registered office in the Cayman Islands:</b>	Ogier Global (Cayman) Limited 89 Nexus Way, Camana Bay Grand Cayman, KY1-9009 Cayman Islands
<b>Headquarters in the PRC:</b>	12/F, ERKE Group Mansion 11 Guanyin Shan Hualian Road Siming District Xiamen Fujian Province PRC
<b>Principal place of business of the Company in Hong Kong:</b>	2408, World-Wide House 19 Des Voeux Road Central Central Hong Kong
<b>Principal banker:</b>	<b>Shanghai Pudong Development Bank Co., Ltd.</b> Xiamen Guanyinshan Sub-branch No. 2 of Unit 101 No. 161 Taidong Road Siming District, Xiamen, Fujian Province PRC
<b>Principal share registrar and transfer office in the Cayman Islands:</b>	<b>Ogier Global (Cayman) Limited</b> 89 Nexus Way, Camana Bay Grand Cayman, KY1-9009 Cayman Islands

<b>Hong Kong branch share registrar and transfer office:</b>	<b>Computershare Hong Kong Investor Services Limited</b> Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
<b>Legal adviser to the Company as to Hong Kong laws:</b>	<b>Wan &amp; Tang</b> 2408, World-Wide House 19 Des Voeux Road Central Central Hong Kong
<b>Legal adviser to the Company as to the Whitewash Waiver application:</b>	<b>Winston &amp; Strawn</b> 6th Floor, Henley Building 5 Queen's Road Central Hong Kong
<b>Auditor:</b>	<b>BDO Limited</b> <i>Certified Public Accountants</i> 25/F, Wing On Centre 111 Connaught Road Central Hong Kong
<b>Authorised representatives:</b>	<b>Mr. Liu Jianhui</b> 2408, World-Wide House 19 Des Voeux Road Central Central Hong Kong  <b>Ms. Tang Wing Shan Winza</b> 183 Queen's Road East Wan Chai Hong Kong
<b>Company secretary:</b>	<b>Ms. Tang Wing Shan Winza</b> 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong

<b>Financial adviser:</b>	<b>SPDB International Capital Limited</b> 32/F, SPB Bank Tower One Hennessy 1 Hennessy Road Hong Kong
<b>Independent Financial Adviser:</b>	<b>Rainbow Capital (HK) Limited</b> Office No. 710, 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong
<b>Placing agent:</b>	<b>Metaverse Securities Limited</b> Suite 4806-07, 48/F Central Plaza 18 Harbour Road Wanchai Hong Kong
<b>Underwriter:</b>	<b>Many Idea Liu Jianhui Limited</b> Morgan & Morgan Building Pasea Estate Road Town Tortola British Virgin Islands
<b>Principal members of the concert group to the Underwriter:</b>	<b>Mr. Liu Jianhui</b> 2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong  <b>Ms. Qu Shuo</b> 2408, World-Wide House 19 Des Voeux Road Central Central, Hong Kong

**Zhangjiajie Lejian Many Idea Network  
Technology Centre (Limited Partnership)\***  
(張家界樂見多想網絡科技中心(有限合夥))  
Room 139-175, 1/F, Building A  
No. 191 Wuling Avenue  
Wujiayuju Committee Jundiping Street Office  
Wulingyuan District  
Zhangjiajie City  
Hunan Province  
PRC

**Xiamen Huli District Dream Future  
Investment Partnership Enterprise  
(Limited Partnership)\***  
(廈門市湖裏區夢想未來投資合夥企業(有限合夥))  
Room 401, 22/F  
Wutong Erli, Jinshan Street  
Huli District  
Xiamen City  
Fujian Province  
PRC

**Many Idea Qushuo Limited**  
Morgan & Morgan Building  
Pasea Estate  
Road Town  
Tortola  
British Virgin Islands

**Mr. Chen Shancheng**  
2408, World-Wide House  
19 Des Voeux Road Central  
Central, Hong Kong

**Mr. Chen Zeming**  
2408, World-Wide House  
19 Des Voeux Road Central  
Central, Hong Kong

### 13. EXPENSES

The expenses in connection with the Open Offer, including the printing, registration, translation, legal, accounting and other professional fees (excluding placing commission), are estimated to be approximately HK\$1.26 million, which are payable by the Company.

**14. COMPETING INTEREST**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or have or may have any other conflicts of interest with the Group.

**15. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Company ([www.manyidea.cloud](http://www.manyidea.cloud)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) between the period of not less than 14 days from the date of this Circular up to and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the prospectus of the Company in relation to the Global Offering containing, amongst others, the financial statements of the Company for the two financial years ended 31 December 2020 and 2021;
- (iii) the annual report of the Company for the financial year ended 31 December 2022 and the interim report of the Company for the six months ended 30 June 2023;
- (iv) the letter from the Board, the text of which is set out on pages 14 to 35 of this circular;
- (v) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 36 to 37 of this circular;
- (vi) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 38 to 72 of this circular;
- (vii) the report from BDO Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (viii) the material contracts referred to under the paragraph headed "9. Material Contracts" in this appendix;
- (ix) the letters of consent referred to under the paragraph headed "11. Experts and Consents" in this appendix;
- (x) this circular; and

- (xi) the memorandum and articles of association of Many Idea Liujianhui Limited.

#### 16. MISCELLANEOUS

- (i) The registered office of the Company is located at Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands;
- (ii) The principal office of the Company in Hong Kong is located at 2408, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong;
- (iii) The principal share registrar and transfer office of the Company is Ogier Global (Cayman) Limited at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands;
- (iv) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong;
- (v) The company secretary of the Company is Ms. Tang Wing Shan Winza, who is an associate member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute; and
- (vi) This circular is in both English and Chinese. In the event of inconsistency, the English text shall prevail.

\* For identification purpose only.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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多想雲  
MANY IDEA  
CLOUD

### Many Idea Cloud Holdings Limited 多想雲控股有限公司

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

**(Stock Code: 6696)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Many Idea Cloud Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on Friday, 8 March 2024 at 12/F, ERKE Group Mansion, 11 Hualien Road, Siming District, Xiamen, the PRC for the purpose of considering the following and, if thought fit, passing with or without modification, the following resolutions. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 25 January 2024 (the “**Circular**”) of which the notice convening the EGM forms part.

### ORDINARY RESOLUTION

1. **“THAT** subject to the satisfaction of all conditions as set out in the paragraph headed “Conditions of the Open Offer” in the “Letter from the Board” in the Circular:
  - (A) the underwriting agreement dated 28 December 2023 (the “**Underwriting Agreement**”) entered into between the Company and Many Idea Liujianhui Limited (the “**Underwriter**”), (a copy of the Underwriting Agreement marked “A” has been produced to this EGM and initialled by the chairman of this EGM for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
  - (B) the issue by way of open offer (the “**Open Offer**”) of up to 400,000,000 new Shares (the “**Open Offer Shares**”) (assuming no further change in the issued share capital of the Company up to the Record Date (as defined below)), to the shareholders of the Company (the “**Qualifying Shareholders**”) whose names appear on the register of members of the Company as at 4:30 p.m. on Wednesday 20 March 2024 (or such other time and date as the Company may determine) (the “**Record Date**”), save for the Shareholders whose addresses as at the Record Date are outside of Hong Kong (if any) to whom the Directors, based on the enquiries made by the Directors, consider it necessary or expedient not to offer the Open Offer Shares on account either of the legal restrictions

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) (the “**Non-Qualifying Shareholders**”), on the basis of one (1) Open Offer Share for every two (2) existing Shares held on the Record Date at the subscription price of HK\$0.15 per Open Offer Share and otherwise on terms and conditions set out in the Circular (a copy of the Circular marked “**B**” has been produced to this EGM and initialled by the chairman of this EGM for the purpose of identification), be and is hereby approved;

- (C) the placing agreement dated 28 December 2023 entered into between the Company and Metaverse Securities Limited (the “**Placing Agent**”) (the “**Placing Agreement**”), in relation to the placing of those Open Offer Shares that are not subscribed by the Qualifying Shareholders, aggregated fractional Open Offer Shares, and Open Offer Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (the “**Unsubscribed Shares**”) by the Placing Agent on a best effort basis (a copy of the Placing Agreement marked “**C**” has been produced to this EGM and initialled by the chairman of this EGM for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (D) any one or more Directors be and are hereby authorised to sign or execute such documents and do all such acts and things in connection with the allotment and issue of the Open Offer Shares, the implementation of the Open Offer, to give effect to or in connection with the Open Offer, or any transaction contemplated thereunder.”

### SPECIAL RESOLUTION

2. “**THAT:**

- (A) subject to the granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and the satisfaction of any conditions attached to the Whitewash Waiver granted, the waiver pursuant to Note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code waiving any obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the shares of the Company not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it which would arise under Rule 26 of the Takeovers Code as a result of the fulfilment of the underwriting obligations by the Underwriter pursuant to the Underwriting Agreement (“**Whitewash Waiver**”) be and is hereby approved; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (B) any one or more Director(s) be and is/are hereby authorised to do all such acts and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with any matters relating to the Whitewash Waiver and the transactions contemplated thereunder.”

On behalf of the Board  
**Many Idea Cloud Holdings Limited**  
**Liu Jianhui**  
*Chairman of the Board*

Hong Kong, 25 January 2024

*Registered Office in Cayman Islands:*  
Ogier Global (Cayman) Limited  
89 Nexus Way, Camana Bay  
Grand Cayman, KY1-9009  
Cayman Islands

*Principal Place of Business in Hong Kong:*  
2408, World-Wide House  
19 Des Voeux Road Central  
Central  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on behalf of him/her/it. A proxy needs not be a member. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares of the Company in respect of which each such proxy is so appointed.
2. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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 delivery of the form of proxy shall not preclude a member from attending and voting in person at the EGM or any adjournment thereof should such member so wishes and, in such event, the form of proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Tuesday, 5 March 2024 to Friday, 8 March 2024, both dates inclusive, during which no transfer of shares will be registered. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the EGM will be Friday, 8 March 2024. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 4 March 2024.
4. In the case of joint holders of any share, this form of proxy must be signed by the shareholder whose name stands first in the register of members of the Company. Where there are joint holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled to it; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
6. If a Typhoon Signal No. 8 or above is hoisted, “extreme conditions” caused by super typhoons, or a Black Rainstorm Warning Signal is in force at or at any time after 12:00 noon on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the Company’s website and HKExnews website to notify the shareholders of the Company of the date, time and place of the rescheduled EGM.
7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
8. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.

*As at the date of this notice, the Board comprises Mr. Liu Jianhui, Ms. Qu Shuo, Mr. Chen Shancheng and Mr. Chen Zeming as executive Directors, Ms. Liu Hong as non-executive Director, and Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin as independent non-executive Directors.*