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Mobile Internet (China) Holdings Limited

移動互聯(中國)控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1439)

TERMINATION OF UNDERTAKINGS

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Reference is made to the Announcement and Circular of the Company in relation to, amongst other things, the Acquisition. As the Acquisition entailed a variable interest entity (VIE) structure under which control over certain subsidiary of the Company has been attained through the VIE Contracts. In anticipation of possible ownership requirements under the 2015 Consultation Draft, Ms. Zheng and the Seller executed the Ms. Zheng's Undertaking and the Seller's Undertaking respectively on 18 February 2016 in favour of the Company and the Company on the same date executed the Company's Undertaking in favour of the Stock Exchange.

Further, reference is also made to the Company's announcement dated 23 May 2017 and the Company's circular dated 20 June 2017 in relation to the issue of additional consideration shares by the Company to the Seller. Again in anticipation of possible ownership requirements under the 2015 Consultation Draft, the Seller executed the Seller's Additional Undertaking in favour of the Company on 23 May 2017 and the Company on the same date executed the Company's Additional Undertaking in favour of the Stock Exchange.

Given that the Company is no longer required to comply with the relevant PRC laws and regulations governing the VIE Contracts under the 2015 Consultation Draft and the Stock Exchange has given its written consent for the termination of the Shareholders' Undertakings and the Company's Undertakings, each of the Shareholders' Undertakings and the Company's Undertakings ceased to have effect in accordance with the terms thereof on 3 May, 2019.

BACKGROUND OF THE UNDERTAKINGS

Reference is made to the Announcement and Circular of the Company in relation to, amongst other things, the Acquisition. The Acquisition entailed a variable interest entity (VIE) structure under which control over certain subsidiary of the Company has been attained through the VIE Contracts. In anticipation of the enactment of certain ownership restrictions envisaged under the 2015 Consultation Draft, Ms. Zheng and the Seller executed the Ms. Zheng's Undertaking and the Seller's Undertaking respectively on 18 February 2016 in favour of the Company, to impose restrictions on the circumstances in which their Shares can be transferred. On the same date, the Company executed the Company's Undertaking in favour of the Stock Exchange to further reinforce the implementation of Ms. Zheng's Undertaking and the Seller's Undertaking. Each of Ms. Zheng and the Seller is a substantial shareholder of the Company.

Further, reference is also made to the Company's announcement dated 23 May 2017 and the Company's circular dated 20 June 2017 in relation to the issue of additional consideration shares by the Company to the Seller. Again in anticipation of possible ownership requirements under the 2015 Consultation Draft, the Seller executed the Seller's Additional Undertaking in favour of the Company on 23 May 2017 to impose restrictions on the circumstances in which the additional consideration shares can be transferred. On the same date, the Company executed the Company's Additional Undertaking in favour of the Stock Exchange to further reinforce the implementation of the Seller's Additional Undertaking. The Seller's Undertaking, the Seller's Additional Undertaking, and Ms. Zheng's Undertaking are together referred to as the "Shareholders' Undertakings".

Ms. Zheng's Undertaking

Pursuant to Ms. Zheng's Undertaking, Ms. Zheng has irrevocably and unconditionally given certain undertakings in favour of the Company, including but not limited to the undertaking that Ms. Zheng shall subject to certain conditions, not dispose of any of the Shares directly or indirectly held by her, including the 408,000,000 Shares beneficially owned by Novel Blaze Limited (a company wholly-owned by Ms. Zheng) and any further Shares which she may acquire directly or indirectly after the date of Ms. Zheng's Undertaking, unless and until the earlier of (i) Company is no longer required to comply with the relevant PRC laws and regulations governing the VIE Contracts and the Stock Exchange has given its written consent for the termination of Ms. Zheng's Undertaking, and (ii) Ms. Zheng ceases to, directly or indirectly, hold any Shares in the Company. For details of Ms. Zheng's Undertaking, please refer to pages 14 and 15 of the Circular.

As of the date of this announcement, Ms. Zheng holds 408,000,000 Shares through Novel Blaze Limited, representing approximately 29.62% of the issued share capital of the Company.

Seller's Undertakings

Pursuant to the Seller's Undertaking, the Seller has irrevocably and unconditionally given certain undertakings in favour of the Company, including but not limited to the undertaking that the Seller shall subject to certain conditions, not, directly or indirectly, dispose of any of the consideration shares unless and until the earlier of (i) Company is no longer required to comply with the relevant PRC laws and regulations governing the VIE Contracts and the Stock Exchange has given its written consent for the termination of the Seller's Undertaking, and (ii) the Seller ceases to, directly or indirectly, hold any Shares in the Company. For details of the Seller's Undertaking, please refer to pages 15 and 16 of the Circular. On 9 August 2016, with the consent from the Stock Exchange, the Seller disposed of 90,000,000 Shares.

Pursuant to the Seller's Additional Undertaking, the Seller has irrevocably and unconditionally given certain undertakings in favour of the Company, including but not limited to the undertaking that the Seller shall subject to certain conditions, not, directly or indirectly, dispose of any of the additional consideration shares unless and until the earlier of (i) Company is no longer required to comply with the relevant PRC laws and regulations governing the VIE Contracts and the Stock Exchange has given its written consent for the termination of the Seller's Undertaking, and (ii) the Seller ceases to, directly or indirectly, hold any Shares in the Company. For details of the Seller's Undertaking, please refer to pages 9 and 10 of the Company's circular dated 20 June 2017.

As of the date of this announcement, the Seller, through his wholly-owned company Wealthy Achievers Limited, holds 352,857,143 Shares (taking into account the 90,000,000 Shares disposed of by the Seller on 9 August 2016), representing approximately 25.62% of the issued share capital of the Company. Of these 352,857,143 Shares, 289,285,714 Shares are subject to the Seller's Undertaking, representing approximately 21% of the issued share capital of the Company.

Company's Undertakings

To reinforce the implementation of the Shareholders' Undertakings, the Company has executed the Company's Undertakings in favour of the Stock Exchange, including but not limited to the undertaking that the Company shall at all times enforce the Shareholders' Undertakings; and the Company shall, with certain exceptions and conditions, not issue any new Shares to any person(s) who are not PRC nationals, whether pursuant to the specific mandate and/or the general mandate from the Shareholders, unless and until the Company is no longer required to comply with the relevant PRC laws and regulations governing the VIE Contracts and the Stock Exchange has given its written consent for the termination of the Company's Undertaking. For details of the Company's Undertakings, please refer to pages 16 and 17 of the Circular and page 10 of the Company's circular dated 20 June 2017.

TERMINATION OF THE UNDERTAKINGS

The Shareholders' Undertakings and the Company's Undertakings were originally entered into in anticipation of possible nationality-related restrictions on ownership under the 2015 Consultation Draft. Under the 2015 Consultation Draft, the term "foreign investments" explicitly includes investments made directly or indirectly by foreign investors in domestic enterprises via contractual arrangements or trust and the term "foreign investors" includes entities controlled by non-PRC nationals. The 2015 Consultation Draft was however not passed into law in whole or in part. Instead of following through with the enactment of the 2015 Consultation Draft, a new draft of Foreign Investment Law was presented to the highest PRC law making agency, the National People's Congress ("NPC") on 15 March 2019 for review and approval. The NPC gave its approval for the draft law to become law effective on 1 January 2020 (the "**Foreign Investment Law**"). The Foreign Investment Law does not contain any notion or provision regulating contractual arrangements as previously proposed under the 2015 Consultation Draft. In this regard, the Company has received advice from its PRC legal counsel that the Foreign Investment Law does not envision any requirement that companies controlled pursuant to VIE Contracts be controlled as to 50% or above by PRC nationals and that the proposed termination of the Shareholders' Undertakings and the Company's Undertakings would not affect the validity of the VIE Contracts. The terms of Shareholders' Undertakings and the Company's Undertakings each provide that they will cease to have effect, if the Company is no longer required to comply with the relevant PRC laws and regulations governing the VIE Contracts and the Stock Exchange has given its written consent for the termination of the relevant undertakings. The Company's Hong Kong legal counsel has advised the Company that based on an interpretation of their respective terms, subject to the Stock Exchange granting its written consent, and given the PRC counsel's advice that the relevant PRC law which would have underpinned the need of the Shareholders' Undertakings and the Company's Undertakings is no longer applicable to the Company in light of the Foreign Investment Law (which has been adopted to take effect on 1 January 2020), the Shareholders' Undertakings and the Company's Undertakings have ceased to be in effect.

In view of the above, the Company has sought consent from the Stock Exchange that the Shareholders' Undertakings and the Company's Undertakings are to terminate on the basis of the advice received from the Company's PRC and Hong Kong legal counsel. The Company is pleased to confirm that the Stock Exchange gave such written consent on 3 May 2019.

Based on the foregoing, the Directors hereby advise its Shareholders and potential investors that each of the Shareholders' Undertakings and the Company's Undertakings ceased to have effect in accordance with the terms thereof on the date of this announcement on 3 May 2019.

The Directors are of the view that the termination of the Shareholders' Undertakings and the Company's Undertakings will give added liquidity to the Company's shareholding, lessening over-concentration related concerns, and that the termination will give the Company's access to funding from strategic and financial investors as the opportunity arises. Such investments, if obtained, will strengthen and diversify the Company's shareholders base, facilitating the development of strong and effective corporate governance systems. It is therefore in the interest of the Company and all of its Shareholders to see the above-mentioned undertakings terminate, allowing for the possibility of a shift from a nationality-oriented ownership shareholder base toward a more diversified and varied shareholder base. As of the date of this announcement, the Shareholders' Undertakings relate to a total of 697,285,714 Shares, representing an aggregate 50.62% of the issued share capital of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings ascribed to them below, unless the context requires otherwise:

“2015 Consultation Draft”	“The People’s Republic of China Foreign Investment Law (Draft for Consultation Purposes) 《中華人民共和國外國投資法(草案徵求意見稿)》” published by the PRC Ministry of Commerce on 19 January 2015
“Acquisition”	the acquisition of the entire issued share capital of Cable King Limited by the Company from the Seller, pursuant to a share purchase agreement dated 17 November 2015
“Announcement”	the announcement made by the Company on 17 November 2015 in respect of, among other things, the Acquisition
“Board”	the board of Directors
“Circular”	the circular issued by the Company on 29 February 2016 in respect of, among other things, the Acquisition
“Company”	Mobile Internet (China) Holdings Limited (移動互聯(中國)控股有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Company’s Undertaking”	the undertaking given by the Company to the Stock Exchange dated 18 February 2016

“Company’s Undertakings”	the Company’s Undertaking and the Company’s Additional Undertaking
“Company’s Additional Undertaking”	the undertaking given by the Company to the Stock Exchange dated 23 May 2017
“Director(s)”	the director(s) of the Company
“Foreign Investment Law”	The People’s Republic of China Foreign Investors Investment Law 《外商投資法》
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Zheng”	Ms. Zheng Xue Xia
“Ms. Zheng’s Undertaking”	the undertaking given by Ms. Zheng to the Company dated 18 February 2016
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region, and Taiwan
“Seller”	Mr. Peng Dongmiao
“Seller’s Undertaking”	the undertaking given by the Seller to the Company dated 18 February 2016
“Seller’s Additional Undertaking”	the undertaking given by the Seller to the Company dated 23 May 2017
“Shareholder(s)”	Holder(s) of the shares of the Company
“Shareholders’ Undertakings”	Ms. Zheng’s Undertaking, the Seller’s Undertaking and the Seller’s Additional Undertaking

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)” has the meaning ascribed to the term under the Listing Rules

“VIE Contracts” has the same meanings as defined in the Circular

By order of the Board
Mobile Internet (China) Holdings Limited
Chen Hong Cai
Chairman and Executive Director

Jiangxi Province, the PRC, 3 May 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chen Hong Cai (Chairman), Mr. Sun Shao Hua and Ms. Zheng Li Fang, and three independent non-executive Directors, namely Mr. Liu Da Jin, Mr. Ma Yiu Ho, Peter and Mr. Wu Ping.