

---

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

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in Mobile Internet (China) Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer, 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 is for your information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares or other securities of the Company.

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.

---

**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)**

**(1) PROPOSED SUBSCRIPTION OF SHARES AND  
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial Adviser to the Offeror**



---

Capitalised terms used in this cover page have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 6 to 35 of this circular.

A notice convening the EGM to be held at Offices 6501-03, 6505, 6512-13, 65/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Thursday, 23 November 2023 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 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, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 21 November 2023) before the time appointed for the holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

31 October 2023

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	6
<b>Notice of EGM</b> .....	EGM-1

---

## DEFINITIONS

---

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

“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CB Holder(s)”	holder(s) of the Convertible Bonds
“Company”	Mobile Internet (China) Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are currently listed on the Stock Exchange
“Completion”	completion of the Subscription Agreement in accordance with its terms
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	the sum payable in respect of each new Share to which the holder of the Convertible Bonds will be entitled upon exercise of the conversion rights of the Convertible Bonds represented thereby, being HK\$0.01 per Share (subject to adjustment)
“Conversion Share(s)”	the new Share(s) to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the two-year 2% coupon convertible bonds in an aggregate principal amount of HK\$496,258,738.61 to be issued by the Company to Max Tuner Limited pursuant to the Subscription Agreement

---

## DEFINITIONS

---

“Convertible Bonds Subscription”	subscription of the Convertible Bonds by Max Tuner Limited pursuant to the Subscription Agreement
“Debts”	the debts owed by the Company to Max Tuner Limited in the total amount of HK\$537,583,668.47 (including principal amount of HK\$166,666,667 and interest amount of HK\$370,917,001.47) as at 31 December 2022
“Director(s)”	the director(s) of the Company
“Dr. Lai”	Dato’ Sri Lai Chai Suang
“EGM”	the extraordinary general meeting of the Company to be held at Offices 6501–03, 6505, 6512–13, 65/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Thursday, 23 November 2023 at 11:00 a.m. to consider and, if appropriate, to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Subscription Shares and the Convertible Bonds and granting of Specific Mandate or any adjournment thereof
“Encumbrance(s)”	includes any option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title retention, right of set off, claim, counterclaim, trust arrangement or other security, any equity or restriction (including any restriction imposed under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) or other adverse rights and interests of all kinds and descriptions)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility Agreement”	the facility agreement dated 4 July 2023 entered into by Fuchsia Capital Limited as the lender, the Offeror as the borrower and Dr. Lai as the guarantor in relation to a guaranteed and unsecured loan facility in the principal amount of HK\$14 million for a term from 4 July 2023 to 30 November 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

---

## DEFINITIONS

---

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors, namely Mr. So Chi Ming, Mr. Chau Wing Nam and Mr. He Dingding
“Independent Financial Adviser”	Euto Capital Partners Limited, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity as defined in the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to their acceptance
“Independent Shareholders”	Shareholders other than Max Tuner Limited, its ultimate beneficial owner and parties acting in concert with any of them
“Joint Announcement”	the joint announcement of the Company and the Offeror dated 25 August 2023 in relation to, among others, the Subscriptions and the Offer
“Last Trading Day”	31 August 2022, being the last trading day of the Shares before the suspension of trading in the Shares on the Stock Exchange
“Latest Practicable Date”	26 October 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Offer”	the possible unconditional cash offer for the Offer Shares
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.01 per Offer Share
“Offer Shares”	all issued Shares (other than those Shares already owned, or agreed to be acquired by, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them)

---

## DEFINITIONS

---

“Offeror” or “Max Tuner Limited”	Max Tuner Limited, a company incorporated in the British Virgin Islands with limited liability and the offeror under the Offer, the entire issued share capital of which is wholly and beneficially owned by Dr. Lai
“PRC”	the People’s Republic of China
“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance of Hong Kong (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share of HK\$0.01 each in the share capital of the Company
“Share Subscription”	the subscription of the Subscription Shares by Max Tuner Limited pursuant to the Subscription Agreement
“Share Subscription Price”	HK\$0.01 per Subscription Share
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Specific Mandate”	the specific mandate to be obtained by the Board from the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares and the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement dated 25 August 2023 entered into between the Company and Max Tuner Limited in relation to the issue and subscription of the Subscription Shares and the Convertible Bonds
“Subscription Shares”	4,132,492,986 new Shares to be issued by the Company to Max Tuner Limited pursuant to the Subscription Agreement
“Subscriptions”	Share Subscription and Convertible Bonds Subscription

---

## DEFINITIONS

---

“Takeovers Code”

the Hong Kong Code on Takeovers and Mergers

“%”

per cent.

**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)**

*Executive Directors:*

Mr. Muk Hung Fei (*Chairman*)  
Mr. Chen Hong Cai  
Mr. Lau Yiu Ting  
Ms. Fang Wenhui  
Mr. Chan Wai Kit

*Independent non-executive Directors:*

Mr. So Chi Ming  
Mr. Chau Wing Nam  
Mr. He Dingding

*Registered Office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in the PRC:*

Hong Sheng Industrial Park  
Fengxin Industrial Zone  
Yichun City, Jiangxi Province  
The PRC

*Principal place of business  
in Hong Kong:*

Unit 64, 1/F  
Houston Centre  
63 Mody Road  
Tsim Sha Tsui East  
Kowloon  
Hong Kong

31 October 2023

*To the Shareholders,*

Dear Sir or Madam,

**(1) PROPOSED SUBSCRIPTION OF SHARES AND  
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Joint Announcement. The purpose of this circular is to provide you with, among other things, relevant information on (i) the Subscription Agreement; and (ii) the notice of EGM at which resolutions will be proposed to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Subscription Shares and the Convertible Bonds and the grant of the Specific Mandate.



---

## LETTER FROM THE BOARD

---

### THE SUBSCRIPTION AGREEMENT

#### Date

25 August 2023

#### Parties for the Subscription Agreement

- (a) The Company, as the issuer of the Subscription Shares and Convertible Bonds; and
- (b) Max Tuner Limited as the subscriber for the Subscription Shares and Convertible Bonds.

As at the Latest Practicable Date, the Offeror and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

The gross proceeds from the issue of the Subscription Shares and the Convertible Bonds in the amount of approximately HK\$538 million will be applied to set off the Debts in full on a dollar to dollar basis.

#### Share Subscription

Pursuant to the Subscription Agreement, the Company agreed to allot and issue, and Max Tuner Limited agreed to subscribe in cash of HK\$41,324,929.86 for 4,132,492,986 Subscription Shares (equivalent to a price of HK\$0.01 per Subscription Share).

#### The Subscription Shares

The total Subscription Shares represent (i) 300% of the existing issued share capital of the Company; (ii) 75% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 7.50% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares upon full conversion of the Convertible Bonds.

The aggregate nominal value of the Subscription Shares under the Share Subscription will be HK\$41,324,929.86 based on the nominal value of HK\$0.01 per Share.

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

The Subscription Shares will be issued under the Specific Mandate proposed to be sought from the Shareholders at the EGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

---

## LETTER FROM THE BOARD

---

The issue price per Subscription Share of HK\$0.01:

- (i) represents a discount of approximately 58.3% to the closing price of HK\$0.024 per Share as quoted on the Stock Exchange on 31 August 2022, being the last trading day of the Shares immediately before the date of the Subscription Agreement;
- (ii) represents a discount of approximately 67.1% to the average of the closing prices of approximately HK\$0.0304 per Share for the five trading days of the Shares up to and including 31 August 2022;
- (iii) represents a discount of approximately 68.4% to the average of the closing prices of approximately HK\$0.0316 per Share for the ten trading days of the Shares up to and including 31 August 2022; and
- (iv) represents a discount of approximately 66.8% to the average of the closing prices of approximately HK\$0.0301 per Share for the 30 trading days of the Shares up to and including 31 August 2022.

The issue price of the Subscription Shares was determined after arm's length negotiations between the Company and the Offeror with reference to (i) the historical prices and liquidity of the Shares during the period from 31 May 2022 up to 31 August 2022, being the three months period immediately before suspension of trading in the Shares (the prices of which ranged from HK\$0.024 per Share to HK\$0.042 per Share); (ii) the latest available financial condition of the Group, in particular the loss-making position of the Group for six consecutive financial years from 2017 and the audited net liabilities of the Group as at 31 December 2021 of RMB352,468,000 (given that the financial information of the Group for the financial year ended 31 December 2022 was unavailable as at the date of the Subscription Agreement due to the delay in preparing of the interim results of the Group for the six months ended 30 June 2022); (iii) uncertain prospect of the business and viability of the Group; and (iv) the implications to the Company in respect of the provision of immediate funds to the Company for repayment of indebtedness.

Based on the above, the Board is of the view that the terms of the Share Subscription are fair and reasonable and on normal commercial terms, and the entering into of the Subscription Agreement is in the interest of the Company and the Shareholders as a whole.

The net Share Subscription Price, after taking into account the estimated expenses of the Share Subscription of approximately HK\$2.5 million, is approximately HK\$0.0094 per Subscription Share.

### **Subscription of Convertible Bonds**

Pursuant to the Subscription Agreement, the Company agreed to issue, and Max Tuner Limited agreed to subscribe the two-year 2% coupon convertible bonds in an aggregate principal amount of HK\$496,258,738.61, which are convertible into new Shares at an initial conversion price of HK\$0.01 per Share (subject to adjustments).

---

## LETTER FROM THE BOARD

---

### Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds are summarised below:

Issuer:	The Company
Issuer price:	100% of the principal amount
Principal amount:	HK\$496,258,738.61
Conversion price:	The Conversion Price per Conversion Share shall be HK\$0.01, subject to adjustments as hereafter described.
Adjustment events:	<p>The Conversion Price shall from time to time be subject to adjustment upon occurrence of the following events:</p> <ul style="list-style-type: none"><li>(a) an alteration to the aggregate number of the Shares in issue as a result of consolidation, sub-division, or reclassification;</li><li>(b) an issue (other than issue of dividend Shares in lieu of cash dividend) of any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);</li><li>(c) a capital distribution (in cash or specie and whether on a reduction of capital or otherwise), including any dividend charged or provided for in the accounts of any financial period (whenever paid and however described) will be deemed to be a capital distribution;</li><li>(d) an offer of new Shares to the Shareholders for conversion by way of rights, or grant, to Shareholders of any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant;</li></ul>

---

## LETTER FROM THE BOARD

---

- (e) (aa) an issue of securities wholly for cash or for reduction of liabilities or for acquisition of asset which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration (as defined in the instrument) per Share initially receivable for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities;
- (bb) modification of the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e), so that the total effective consideration (as defined in the instrument) per Share initially receivable for such securities shall be less than 90% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription;
- (f) an issue of any Shares wholly for cash or for reduction of liabilities at a price per Share which is less than 90% of the market price on the date of the announcement of the terms of such issue; and
- (g) an issue of any Shares for the acquisition of asset at a total effective consideration (as defined in the instrument) per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue.

Interest rate: 2% per annum (payable annually)

Conversion Shares: Based on the principal amount of the Convertible Bonds of HK\$496,258,738.61, the Convertible Bonds are convertible into 49,625,873,861 Conversion Shares at the initial conversion price of HK\$0.01 per Conversion Share (subject to adjustments).

---

## LETTER FROM THE BOARD

---

- Conversion period: The period commencing from one month after the close or lapse or withdrawal of the Offer up to 4:00 p.m. (Hong Kong time) on the Maturity Date (as defined below).
- Conversion rights and restrictions: The CB Holder(s) shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into the Conversion Shares provided further that (i) any conversion shall be made in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted; (ii) the exercise of the conversion right attached to the Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the Listing Rules; and (iii) the exercise of the conversion right attached to the Convertible Bonds will not trigger a mandatory offer obligation under Rule 26 of The Hong Kong Code on Takeovers and Mergers on the part of the CB Holder(s).
- Early redemption: The Company shall be entitled at its sole discretion, by giving not less than fourteen (14) Business Days' notice to the CB Holder(s), propose to the CB Holder(s) to redeem the outstanding Convertible Bonds (in multiples of HK\$1,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding Convertible Bonds together with outstanding accrued interest at any time after the date of issue of the Convertible Bonds up to and including the date falling seven (7) days immediately before the maturity date of the Convertible Bonds.

---

## LETTER FROM THE BOARD

---

- Ranking: The Conversion Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the relevant conversion date including the right to all dividends or other distributions, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the relevant conversion date.
- Maturity date: The second (2nd) anniversary of the issue date of the Convertible Bonds (the “**Maturity Date**”).
- Voting rights: The CB Holder(s) shall not have any right to attend or vote in any general meeting of the Company.
- Transferability: Subject to compliance with the Listing Rules, the Convertible Bonds may be transferred or assigned one month after the close or lapse or withdrawal of the Offer in whole or in part in integral multiples of HK\$1,000,000 by the CB Holder(s) to any party, save and except that the Convertible Bonds shall not be transferred or assigned to a connected person of the Company unless with the prior written consent of the Company.
- Listing: No application will be made by the Company for the listing of the Convertible Bonds on the Stock Exchange. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.
- Event of default: Any CB Holder may at any time before the maturity date of the Convertible Bonds serve a written notice on the Company at least 7 days in advance and demand the Company to redeem the Convertible Bonds upon the occurrence of the following events:
- (i) a default is made in the payment of principal amount, interest and entitlements due in respect of any of the Convertible Bonds and such default is not cured within 30 days; or

---

## LETTER FROM THE BOARD

---

- (ii) a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the instrument or in the conditions of the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal, premium (if any), interest and entitlements in respect of any of the Convertible Bonds) and such default continues for the period of 30 days following the service by any CB Holder on the Company of notice specifying brief details of such default and requiring such default to be remedied; or
- (iii) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company disposes of all its assets, otherwise, in any such case, other than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an ordinary resolution of CB Holder; or
- (iv) the Shares cease to be listed on the Stock Exchange.

Security:

The obligations of the Company under the Convertible Bonds are unsecured.

### **Conversion Shares**

Assuming full exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price of HK\$0.01 per Conversion Share, a maximum of 49,625,873,861 new Shares will be allotted and issued by the Company, representing (i) approximately 3,603% of the total number of issued Shares as at the Latest Practicable Date; (ii) approximately 901% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 90% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares upon full conversion of the Convertible Bonds (assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds).

The Conversion Shares will be issued under the Specific Mandate proposed to be sought from the Shareholders at the EGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares. The Convertible Bonds will not be listed on any stock exchange.

---

## LETTER FROM THE BOARD

---

The maximum aggregate nominal value of the Conversion Shares is HK\$496,258,738.61 based on the nominal value of HK\$0.01 per Share.

### Conversion Price

The initial Conversion Price of HK\$0.01 per Conversion Share:

- (i) represents a discount of approximately 58.3% to the closing price of HK\$0.024 per Share as quoted on the Stock Exchange on 31 August 2022, being the last trading day of the Shares immediately before the date of the Subscription Agreement;
- (ii) represents a discount of approximately 67.1% to the average of the closing prices of approximately HK\$0.0304 per Share for the five trading days of the Shares up to and including 31 August 2022;
- (iii) represents a discount of approximately 68.4% to the average of the closing prices of approximately HK\$0.0316 per Share for the ten trading days of the Shares up to and including 31 August 2022;
- (iv) represents a discount of approximately 66.8% to the average of the closing prices of approximately HK\$0.0301 per Share for the 30 trading days of the Shares up to and including 31 August 2022; and
- (v) is equivalent to the issue price of the Subscription Shares.

### Conditions precedent

The completion of the Subscription Agreement is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (a) the resumption of trading in the shares of the Company on the Stock Exchange;
- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in, the Subscription Shares and the Conversion Shares;
- (c) the Shareholders approving at the EGM the Subscriptions and the transactions contemplated under the Subscription Agreement (including the granting of the Specific Mandate);
- (d) there being no indication being received from the Stock Exchange or the SFC that the listing of the Shares on the Stock Exchange will be suspended, revoked or withdrawn at any time after completion of the Subscription Agreement, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;
- (e) the warranties under the Subscription Agreement remaining true and correct in all material respects; and



---

## LETTER FROM THE BOARD

---

- (f) all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the Subscriptions and the transactions contemplated under the Subscription Agreement having been obtained by the Company.

The above conditions (a), (b) and (d) will only be fulfilled after the Stock Exchange granting the approval in principal for the resumption of trading of the Shares. The parties to the Subscription Agreement shall use their reasonable endeavours to the extent possible to procure the fulfilment of the conditions precedent set out above. Save for the condition set out in (e) of the Subscription Agreement which is capable of being waived by the Offeror, all other conditions precedent are not waivable by the parties to the Subscription Agreement. If any of the above conditions precedent is not fulfilled (or waived by the Offeror as the case may be) on or before the long stop date of 29 February 2024, the Subscription Agreement shall lapse and become null and void and both the Company and the Offeror will be released from all obligations under the Subscription Agreement (save for liabilities for any antecedent breaches thereof).

The resumption of trading in the Shares on the Stock Exchange, the listing approval for the Subscription Shares and Conversion Shares to be granted by the Stock Exchange and the approval from the Shareholders at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder are the only outstanding specific consents and approval required to be obtained on the part of the Company as referred to under condition (f) above. There is no other outstanding consent or approval required to be obtained by the parties to the Subscription Agreement.

Subject to the fulfilment or waiver of the above conditions precedent, completion of the Subscription Agreement shall take place within three Business Days (or such other date as the parties may agree) after fulfilment or waiver of all the above conditions precedent.

As at the Latest Practicable Date, none of the conditions set out above has been fully satisfied.

### **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENT**

The Group is principally engaged in packaging business and mobile game business.

Max Tuner Limited is a creditor of the Company and the Company was indebted to Max Tuner Limited in the total amount of HK\$537,583,668.47 (including principal amount of HK\$166,666,667 and interest amount of HK\$370,917,001.47) as at 31 December 2022. The Debts were already due on 19 May 2019 prior to granting of the Extension (as defined below) by the Offeror.

The debt to Max Tuner Limited in the total amount of HK\$537,583,668.47 (including principal amount of HK\$166,666,667 and interest amount of HK\$370,917,001.47) as at 31 December 2022 was arising from (i) a subscription agreement dated 10 June 2015 entered into between the Company and Chance Talent Management Limited, which is an indirect wholly owned subsidiary of China Construction Bank Corporation, a joint stock company incorporated in the PRC with limited liability, the issued H shares of which are listed on the Stock Exchange

---

## LETTER FROM THE BOARD

---

(stock code: 939) (“CCB”) and is independent of and not connected with the Company and its connected person, pursuant to which Chance Talent Management Limited as subscriber subscribed for the redeemable fixed coupon note in the aggregate principal amount of HK\$80,000,000 issued by the Company (“**Note I**”) which was originally due on 19 May 2019; and (ii) a subscription agreement dated 28 April 2016 entered into between Chance Talent Management Limited and the Company pursuant to which Chance Talent Management Limited subscribed for (a) the redeemable fixed coupon note in the aggregate principal amount of HK\$120,000,000 issued by the Company (“**Note II**”) which was originally due on 19 May 2017; and (b) the redeemable fixed coupon convertible bond in the aggregate principal amount of HK\$30,000,000 issued by the Company (the “**2016 Convertible Bond**”) which was originally due on 19 May 2017. In October 2020, Chance Talent Management Limited entered into a declaration of trust pursuant to which Chance Talent Management Limited declared and acted as trustee of a trust in favour of Advance Day Holdings Limited, which is an indirect wholly owned subsidiary of CCB over Note I, Note II and 2016 Convertible Bond. In October 2022, Chance Talent Management Limited as legal seller, Advance Day Holdings Limited as beneficial seller and Wong Man Hin Max, who is not a Shareholder and is a third party independent of and not connected with the Company and its connected person and has no prior relationship with the Company as purchaser entered into a sale and purchase agreement pursuant to which Wong Man Hin Max acquired the Note I, Note II and 2016 Convertible Bond. In May 2023, Wong Man Hin Max as seller and Max Tuner Limited as purchaser entered into a sale and purchase agreement pursuant to which Max Tuner Limited acquired the Note I, Note II and 2016 Convertible Bond. As at 31 December 2022, (i) in relation to the Note I, the principal amount of HK\$40,000,000 and interest amount of HK\$100,633,521.81 (total amount of HK\$140,633,521.81) remained outstanding; (ii) in relation to Note II, the principal amount of HK\$120,000,000 and interest amount of HK\$256,058,033.36 (total amount of HK\$376,058,033.36) remained outstanding; and (iii) in relation to 2016 Convertible Bond, the principal amount of HK\$6,666,667 and interest amount of HK\$14,225,446.30 (total amount of HK\$20,892,113.30) remained outstanding.

On 25 August 2023, the Offeror entered into a confirmation deed (the “**Confirmation Deed**”) to (i) extend the repayment dates of the Debts to 31 December 2024 (the “**Extended Repayment Date**”); and (ii) waive all interest accrued and to be accrued on the outstanding amount of the Debts since 1 January 2023 up to the Extended Repayment Date. Upon the entering into the Confirmation Deed, the total amount of Debts owing by the Company to Max Tuner Limited amounted to HK\$537,583,668.47 as at the Latest Practicable Date and will be payable by the Company by 31 December 2024.

As disclosed in the annual report of the Company for the year ended 31 December 2021, the Group had net current liabilities of approximately RMB474.2 million as at 31 December 2021 and the Group was in the process of negotiating with its promissory noteholders and convertible bondholders to restructure and/or refinance its borrowings, and secure necessary facilities to meet the Group’s working capital and financial requirements in the near future.

As disclosed in the Company’s annual report for the year ended 31 December 2021, the Group recorded net loss of approximately RMB189.9 million for the year ended 31 December 2021. The Group had been loss-making for six consecutive financial years from 2017. The Group had also recorded net liabilities of approximately RMB352.5 million as at 31 December 2021.

---

## LETTER FROM THE BOARD

---

As disclosed in the announcement of the Company dated 31 August 2022, the Company announced that the publication of the interim results of the Group for the six months ended 30 June 2022 would be delayed and additional time would be required for the Company to prepare the interim results of the Group for the six months ended 30 June 2022. Such delay in publication of the interim results of the Group for the six months ended 30 June 2022 constituted a non-compliance with Rule 13.49(6) of the Listing Rules and pursuant to Rule 13.50 of the Listing Rules, the Stock Exchange requires suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules and the suspension will normally remain in force until the issuer publishes an announcement containing the requisite financial information. Accordingly, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 September 2022 and will remain suspended until further notice.

As disclosed in the Company's announcements dated 12 January 2023 and 21 February 2023, the Company must meet all resumption guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. The guidance for the resumption of trading in the Shares is set out below:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) demonstrate compliance with Rule 13.24 of the Listing Rules;
- (iii) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position; and
- (iv) have the Petition issued by HAUZEN LLP (or winding-up order, if made) against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged.

At the court hearing held on 10 May 2023, the court made an order, among others, that the petition be withdrawn and therefore the above resumption condition (iv) has been fulfilled.

As at the Latest Practicable Date, the Company expects that the interim results and the interim report for the six months ended 30 June 2022, the annual results and the annual report for the year ended 31 December 2022, and the interim results and the interim report for the six months ended 30 June 2023 will be published by the end of November 2023. The Company will demonstrate compliance with Rule 13.24 of the Listing Rules and to inform the market of all material information for the Company's shareholders and investors to appraise the Company's position so as to meet the resumption conditions.

The Board considers that the Group is in need of external financings with a view to improving the Group's financial position, reducing its debt level (including trading and financial debts) and replenishing working capital for the Company's operations. It is the Board's view that the Subscriptions, under which the Offeror is introduced as investor, represent a crucial and precious opportunity to improve the financial position of the Group and enable it to continue as

---

## LETTER FROM THE BOARD

---

a going concern. The improvement of the financial position of the Group would present a positive signal to the market and the customers, suppliers and business partners of the Group.

In determining the size of the Subscriptions, the Company had taken into account of the size of the Debts and would like to raise the same amount of fund through the Subscriptions so as to set off the Debts in full on a dollar to dollar basis. The proceeds from the Subscription will be applied to set off the Debts in full on a dollar to dollar basis and will not be applied as general working capital of the Company. The Company intends to satisfy its working capital requirement for the next 12 months by its existing internal resources, operating cash flows, and if required, the financial support from the Offeror upon Completion. After Completion, the Company may also, from time to time, consider various fund raising exercises, whether in the form of equity and/or debt financings, in case it requires additional funds to support the development of its business and/or for working capital, including but not limited to open offer, rights issue and/or placing of new Shares to independent individuals, corporate and/or institutional and professional investors, depending on the then prevailing market conditions. Notwithstanding the foregoing, the Directors confirm that as at the Latest Practicable Date, the Company had no concrete plan to conduct any fund raising activity after Completion.

Prior to deciding to proceed with the Subscriptions, the Board had considered other fund-raising alternatives, such as debt financing, rights issue and/or open offer and subscription of Shares by investors other than the Offeror. However, having considered that (i) it is the understanding of the Company that with the net current liabilities and net liabilities position of the Company and all the available buildings and machineries of the Group had already been pledged for borrowings, the prospects of obtaining debt financing from financial institutions and banks are extremely low and almost impossible; (ii) even if debt financing is available to the Company, it may be subject to lengthy due diligence and additional interest and principal repayment burden will be incurred on the Group, thereby exerting additional financial pressure to the Group's net liabilities position; (iii) rights issue is not practicable as trading in the Shares had been suspended; (iv) open offer may involve substantial time, administrative work and cost to complete; (v) unless an open offer with a very high offer ratio is proposed, it is highly unlikely that it could raise enough capital to address the imminent cash needs of the Company and given the grave financial difficulty of the Company, the Company considered that the prospects in securing any underwriter for a high offer ratio open offer or attracting the existing Shareholders to take up their entitlements is extremely thin; and (vi) given the current challenging macro environment attributable to, among others, the on-going Sino-US tension, the Russo-Ukrainian War, the substantial hike in the interest rate, and the bearish market sentiment and poor performance of the Hong Kong stock market, it would be even more difficult for the Company to secure willing and able investor(s) other than the Offeror to invest in the Company, the Board is of the view that the Subscriptions are best suited to the Company's funding needs under the circumstances.

The Company approached two financial institutions, namely Tse's Finance Limited and Yam Yik Lei Development Limited, and two securities firms, namely Sunhigh Financial Holdings Limited and GEO Securities Limited, in or around March 2023. However, primarily due to (i) trading in the shares of the Company on the Stock Exchange has been suspended since 1 September 2022; (ii) the loss-making and net liabilities financial position of the Company; (iii) the inability of the Company to provide any security to secure the loans; and (iv) the substantial

---

## LETTER FROM THE BOARD

---

amount of the loans applied for/the fundraising size proposed by the Company in the amount of HK\$300 million to HK\$500 million, the Company was rejected by the financial institutions and securities firms without having in-depth negotiations with them on the terms of the loans/fund raising exercise.

Given (i) trading in the shares of the Company on the Stock Exchange has been suspended since 1 September 2022; and (ii) the loss-making and net liabilities financial position of the Company, the Company was unable to find any financier or new subscriber to raise the necessary fund for the Company.

Since Max Tuner Limited is the largest creditor of the Company and the Debts were already overdue with total principal and interest amount of approximately HK\$538 million as at 31 December 2022 and interests would continue to accrue if the situation of the Company remained unchanged, the Company therefore decided to approach Max Tuner Limited and explored the possibility of the Subscriptions to set off the Debts in full.

The Company considered that the Subscriptions would be the best and the only available option to the Company provided that (i) only by entering into of the Subscription Agreement, the Debts would be set off in full upon completion of the Subscriptions and therefore the Subscriber agreed to extend the repayment dates of the Debts (the “**Extension**”) to facilitate the completion of the Subscriptions; and (ii) only by entering into of the Subscription Agreement, the Subscriber agreed to waive all interest accrued and to be accrued on the outstanding amount of the Debts since 1 January 2023 up to the Extended Repayment Date (the “**Waiver**”) and the Waiver is equivalent to a haircut of the total amount of the Debts owing by the Company to the Subscriber and hence it is in the best interest of the Company and the Shareholders as a whole. The Company also considered that the Extension and the Waiver are commercial terms hugely favourable to the Company and would not be able to be provided by other financier or new subscriber even if there would be any financier or new subscriber available in the market given the loss-making and net liabilities financial position and trading suspension status of the Company.

The ultimate beneficial owner of the Offeror is an experienced entrepreneur. For further details, please refer to the paragraph headed “INFORMATION ON THE OFFEROR” in this circular. The Group may be able to leverage the support of its new controlling shareholder to resolve its financial difficulties and optimise and further develop its existing business.

The gross proceeds from the issue of the Subscription Shares and the Convertible Bonds in the amount of approximately HK\$538 million will be applied to set off the Debts in full on a dollar to dollar basis. Completion of the Subscription Agreement will set off all the Debts in full. The professional fees and the related expenses arising from the Subscriptions would be settled by the general working capital of the Company.

---

## LETTER FROM THE BOARD

---

In determining the Subscription Price and Conversion Price, the Board has taken into account the following:

- (i) considering that the trading in the Shares has been suspended since 1 September 2022, the Board had considered the historical prices and liquidity of the Shares during the period from 31 May 2022 up to 31 August 2022, being the three months period immediately before suspension of trading in the Shares (the prices of which ranged from HK\$0.024 per Share to HK\$0.042 per Share);
- (ii) the current challenging macro environment and market conditions attributable to, among others, the on-going Sino-US tension, the Russo-Ukrainian War, the substantial hike in the interest rate, and the bearish market sentiment and poor performance of the Hong Kong stock market;
- (iii) the latest available financial condition of the Group, in particular the loss-making position of the Group for six consecutive financial years from 2017 and the audited net liabilities of the Group as at 31 December 2021 of RMB352,468,000 (given that the financial information of the Group for the financial year ended 31 December 2022 was unavailable as at the date of the Subscription Agreement due to the delay in preparing of the interim results of the Group for the six months ended 30 June 2022);
- (iv) the disclaimer opinion of the Company's auditors in respect of the financial results of the Company since the financial year ended 31 December 2019;
- (v) the implications to the Company in respect of the provision of immediate funds to the Company by way of conducting the Subscriptions for repayment of indebtedness, in particular the settlement of the Debts in full;
- (vi) the necessity of a deeper discount to the market price to attract funding for setting off the Debts given the uncertain prospect of the business and viability of the Group and the need to reasonably commensurate with the investment risks of the Offeror to invest in the Company;
- (vii) as the Subscriptions are not on a best effort basis or subject to market response, the need to strike a balance between dilution effect and attraction to the Offeror through a deeper discount to the prevailing market price;
- (viii) pursuant to the Subscription Agreement, the conversion of the Convertible Bonds is subject to restrictions as stated under the section "Principal terms of the Convertible Bonds" and the Directors consider that such mechanism is in the interest of the Company and the Shareholders; and
- (ix) the liquidity of the Shares which was generally thin. During the period from 31 May 2022, up to 31 August 2022, being the trading day before the Company suspended the trading of the Shares, the highest daily trading volume was only 5,715,000 Shares

## LETTER FROM THE BOARD

which represents 0.53% of the Shares held by the public. The average trading volume is 606,226 Shares during the aforesaid period, which is only approximately 0.056% of the Shares in public hand.

The Company has reviewed and compared listed companies, the shares of which were in prolonged suspension from trading on the Stock Exchange for three months or more, and carried out restructuring or fundraising exercises which includes, among all others, subscription of new shares, and issued the circular during the period from 1 January 2021 to the date of the Subscription Agreement. Based on the above criteria, the Company has identified 12 comparables (the “**Comparables**”), which are exhaustive. Set out below are the details of the Comparables:

Name of company (Stock code)	Date of suspension of trading of the shares	Date of circular	Premium/ (Discount) of subscription price to closing price on the last trading day (%)	Theoretical dilution effect (%)
North Mining Shares Company Limited (433)	1 April 2021	13 June 2023	(40.00)	37.89
Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (1103)	11 February 2022	16 May 2023	139,471.43 <i>(Note 1)</i>	N/A
China Bozza Development Holdings Limited (1069)	4 October 2021	3 March 2023	(87.12)	65.48
China U-Ton Future Space Industrial Group Holdings Limited (6168)	5 May 2021	2 December 2022	(97.10)	87.70
China Wood International Holding Co., Limited (1822)	22 October 2021	5 August 2022	(32.31)	28.10
China Creative Global Holdings Limited (1678)	1 September 2020	22 April 2022	20.00	29.10
Sun Cheong Creative Development Holdings Limited (1781)	2 July 2020	14 April 2022	(91.01)	83.18
Samson Paper Holdings Limited (731)	2 July 2020	31 December 2021	(96.68)	88.55
National United Resources Holdings Limited (254)	1 August 2016	31 December 2021	(92.25)	72.04
Freeman Fintech Corporation Limited (279)	28 February 2020	26 May 2021	(81.81) <i>(Note 2)</i>	77.35
MH Development Limited (2662)	19 July 2019	29 March 2021	(98.42)	65.94
China Oil Gangran Energy Group Holdings Limited (8132)	2 July 2019	19 March 2021	(87.55)	77.20
		<b>Maximum</b>	<b>20.00</b>	<b>88.55</b>
		<b>Minimum</b>	<b>(98.42)</b>	<b>28.10</b>
		<b>Median</b>	<b>(89.28)</b>	<b>72.04</b>
		<b>Average</b>	<b>(70.24)</b>	<b>64.78</b>
The Company	1 September 2022		(58.33)	66.05

*Notes:*

1. The comparable has been excluded for comparison purpose as outlier.

---

## LETTER FROM THE BOARD

---

2. According to the circular of Freeman Fintech Corporation Limited dated 26 May 2021, the subscription price is to be finalised within a range, which would represent a discount ranged from 81.54% to 82.07%. The mid-point of the discount of approximately 81.81% is used for comparison purpose.

As noted from the above, it is common among companies which are under trading suspension and requires fund raising exercises to restructure its financial position to issue shares at a substantial discount to the last closing price of their respective shares. In particular, the premium/discount of the subscription prices of the Comparables to their respective closing prices on last trading day ranges from a premium of approximately 20.0% to a discount of approximately 98.42%, with an average and median discount of approximately 70.24% and 89.28%, respectively. The discount of the Subscription Price of 58.33% is hence within the range and lower than both of the median and average of the Comparables.

The theoretical dilution effect of the Comparables ranged from 28.10% to 88.55%, with an average and median discount of approximately 64.78% and 72.04%, respectively. The theoretical dilution of the Subscriptions is hence within the range of the Comparables and close to the average of the Comparables.

Given the financial position and the trading suspension status of the Company, and that the Subscriptions allow the Company to restructure its debt and forms a step towards the resumption in trading of the Shares, the Company considers the heavily discounted Subscription Price under current circumstances is inevitable, and the discount as represented by the Subscription Price is in line with the market.

The Board considers that unless the Subscription Price and the Conversion Price are attractive and offer a substantial discount to market price to commensurate with the risk of undertaking a substantial investment in the Company, no investor(s) would be willing to invest in the Company. In light of the above and after arm's length negotiations between the Company and the Offeror, the Subscription Price and Conversion Price of HK\$0.01 was arrived at. The Board considers that the Subscription Price and Conversion Price are fair and reasonable, and in the best interests of the Company and its independent shareholders despite the discount to the market share price and the potential dilution impact.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription Agreement are negotiated after arm's length negotiation, on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **INFORMATION ON THE OFFEROR**

The Offeror is a private limited company incorporated in the British Virgin Islands. It has not carried on any business activities since its incorporation other than the entering into of the Subscription Agreement. The entire issued share capital of Max Tuner Limited is wholly and beneficially owned by Dr. Lai.



---

## LETTER FROM THE BOARD

---

Dr. Lai, aged 53, holds a Honorary Doctorate Degree of Humanities from Southwest State University, Russia. As advised by Dr. Lai, she is currently a director and shareholder of Mon Space (M) Sdn. Bhd., a private company incorporated in Malaysia with limited liability and a multinational corporation led by Dr. Lai, with investments across Asia Pacific in the technology, property, telecommunications, food and beverage, entertainment and e-commerce industry. As advised by Dr. Lai, her entrepreneurial projects started in the trading industry and then expanded to telecommunications, food and beverage and real estate across Asia. Subsequently, Mon Space (M) Sdn. Bhd. has recently penetrated into digital & consumer electronics, including online shopping platforms with the concepts of health and beauty. As an outstanding entrepreneur, Dr. Lai has been active in leading women's roles and is known in Malaysia for her strong acumen in business and inspirational speech. Dr. Lai was formerly the executive director of Amasse Capital Holdings Limited (stock code: 8168) from 28 November 2022 to 6 March 2023 and the non-executive director and executive director of Asia Television Holdings Limited (stock code: 707) from 20 December 2019 to 10 October 2022 and from 10 October 2022 to 22 December 2022, respectively. Save as disclosed, Dr. Lai has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

The Company does not expect to enter or has not entered into any other arrangement or transaction with the Offeror (or Dr. Lai) and or its associate apart from the Subscriptions.

Each of the Directors is independent of and not connected or associated with the Offeror and Dr. Lai.

## LETTER FROM THE BOARD

### EFFECTS ON SHAREHOLDING STRUCTURE

Set out below are (i) the shareholding structure of the Company as at the Latest Practicable Date, (ii) the shareholding structure of the Company immediately upon completion of the Subscription Agreement but before exercise of the conversion rights attaching to the Convertible Bonds; (iii) the shareholding structure of the Company immediately upon completion of the Subscription Agreement and assuming exercise in full of the conversion rights attaching to the Convertible Bonds:

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Subscription Agreement but before exercise of the conversion rights attaching to the Convertible Bonds		(iii) Immediately upon completion of the Subscription Agreement and assuming exercise in full of the conversion rights attaching to the Convertible Bonds (Note 3)	
	<i>Approximate</i>		<i>Approximate</i>		<i>Approximate</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Max Tuner Limited	–	–	4,132,492,986	75.00	53,758,366,847	97.50
Wealthy Achievers Limited (Note 1)	156,477,143	11.36	156,477,143	2.84	156,477,143	0.28
Cheuk Kwong Hau Thomas (Note 2)	145,490,000	10.56	145,490,000	2.64	145,490,000	0.26
<b>Public Shareholders</b>						
Other public Shareholders	<u>1,075,530,519</u>	<u>78.08</u>	<u>1,075,530,519</u>	<u>19.52</u>	<u>1,075,530,519</u>	<u>1.96</u>
<b>Total</b>	<b><u><u>1,377,497,662</u></u></b>	<b><u><u>100.00</u></u></b>	<b><u><u>5,509,990,648</u></u></b>	<b><u><u>100.00</u></u></b>	<b><u><u>55,135,864,509</u></u></b>	<b><u><u>100.00</u></u></b>

*Notes:*

- Immediately upon completion of the Subscription Agreement but before exercise of the conversion rights attaching to the Convertible Bonds, the shareholding interest of Wealthy Achievers Limited (which is wholly and beneficially owned by Mr. Peng Dong Miao as at the Latest Practicable Date) in the Company will become 2.84% and will become a public Shareholder. Mr. Peng Dong Miao as the vendor entered into a transaction with the Company as buyer in November 2015 in relation to the sale and purchase of the entire issued share capital of a target company (the “**Transaction**”). The Transaction was completed in April 2016 and after completion, Mr. Peng Dong Miao (through Wealthy Achievers Limited) became a shareholder of the Company. As at the date hereof, the Company is also indebted to Mr. Peng Dong Miao in the total principal amount of HK\$50,000,000. The debt to Mr. Peng Dong Miao in the total principal amount of HK\$50,000,000 was arising from a loan in the principal sum of HK\$90,000,000 granted by Mr. Peng Dong Miao to the Company in November 2015. The obtaining of the loan was normal business activity of the Company and the loan was applied by the Company for development of its mobile game business. Other than the above, Mr. Peng Dong Miao has no other relationship with the Company at the Latest Practicable Date.

---

## LETTER FROM THE BOARD

---

2. Other than being a substantial Shareholder, Mr. Cheuk Kwong Hau Thomas has no other relationship with the Company and immediately upon completion of the Subscription Agreement but before exercise of the conversion rights attaching to the Convertible Bonds, his shareholding interest in the Company will become 2.64% and he will become a public Shareholder.
3. For illustration purpose only as the exercise of the conversion right attached to the Convertible Bonds will be subject to the public float of the Shares being not less than 25% of the issued share capital of the Company and in compliance with the requirement under the Listing Rules.

### **EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity-related fund-raising exercise for the past 12 months immediately prior to the Latest Practicable Date.

### **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the Latest Practicable Date, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them is not interested in any Share. Upon completion of the Subscription Agreement, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them will be interested in 4,132,492,986 Shares (representing 75% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares, assuming there is no other change to the issued Shares from the Latest Practicable Date up to the completion of the Subscription Agreement).

Subject to the completion of the Subscription Agreement and pursuant to Rule 26.1 of the Takeovers Code, upon completion of the Subscription Agreement, the Offeror is required to make the unconditional mandatory cash offer for all the issued Shares (other than those already owned or to be acquired by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them).

### **Securities of the Company**

As at the Latest Practicable Date, the Company has a total of 1,377,497,662 Shares in issue. Save for (i) the Convertible Bonds to be issued by the Company upon completion of the Subscription Agreement; and (ii) the 2016 Convertible Bond, which will be set off by the subscription monies under the Subscription Agreement, the Company does not have any other Shares, outstanding warrants, options, derivatives or other securities carrying conversion or subscription rights into Shares.

### **Terms of the Offer**

Immediately following completion of the Subscription Agreement but before exercise of any conversion rights attaching to the Convertible Bonds, Max Tuner Limited will be interested in a total 4,132,492,986 Shares, representing 75% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Rainbow Capital has been appointed as the financial adviser to Max Tuner Limited in respect of the Offer. Upon

---

## LETTER FROM THE BOARD

---

completion of the Subscription Agreement, Rainbow Capital will make the Offer, which is unconditional, on behalf of Max Tuner Limited on the following terms:

For each Share . . . . . HK\$0.01 in cash

The Offer price of HK\$0.01 per Share is the same as the subscription price under the Subscription Agreement. It also represents:

- (i) a discount of approximately 58.3% to the closing price of HK\$0.024 per Share as quoted on the Stock Exchange on 31 August 2022, being the last trading day of the Shares immediately before the date of the Subscription Agreement;
- (ii) a discount of approximately 67.1% to the average of the closing prices of approximately HK\$0.0304 per Share for the five trading days of the Shares up to and including 31 August 2022;
- (iii) a discount of approximately 68.4% to the average of the closing prices of approximately HK\$0.0316 per Share for the ten trading days of the Shares up to and including 31 August 2022;
- (iv) a discount of approximately 66.8% to the average of the closing prices of approximately HK\$0.0301 per Share for the 30 trading days of the Shares up to and including 31 August 2022; and
- (v) is equivalent to the issue price of the Subscription Shares and the Conversion Price.

Save for (i) the Convertible Bonds to be issued by the Company upon completion of the Subscription Agreement; and (ii) the 2016 Convertible Bond, which will be set off by the subscription monies under the Subscription Agreement, the Company does not have any other outstanding options, warrants and other securities convertible into Shares or any other share derivatives.

### **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period preceding the Last Trading Day were HK\$0.042 per Share recorded on 28 June 2022 and HK\$0.022 per Share recorded on 7 March 2022 respectively.

### **Pre-condition of making the Offer**

The making of the Offer is subject to completion of the Subscription Agreement. If the precondition of making of the Offer is satisfied, Max Tuner Limited will issue an announcement in accordance with the Takeovers Code and the Listing Rules and comply with all the requirements under the Takeovers Code and the Listing Rules.

---

## LETTER FROM THE BOARD

---

### **Total consideration and financial resources**

As at the Latest Practicable Date, the Company has 1,377,497,662 Shares in issue. Assuming there is no other change in the total number of issued Shares, there will be 5,509,990,648 Shares in issue upon completion of the Subscription Agreement after the issuance of the Subscription Shares. On the basis of the Offer Price at HK\$0.01 per Share, the entire issued share capital of the Company is valued at approximately HK\$55.1 million upon completion of the Subscription Agreement.

Assuming that there is no other change in the total number of issued Shares, upon completion of the Subscription Agreement, the Offeror will be interested in 4,132,492,986 Shares and become the holder of the Convertible Bonds, the conversion of which is subject to the restrictions as stated in “Conversion rights and restrictions” under the section headed “Principal terms of the Convertible Bonds” in this circular.

Assuming there will be no other change in the share capital of the Company, upon completion of the Subscription Agreement, 1,377,497,662 Shares not already owned or agreed to be acquired by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them will be subject to the Offer and the consideration of the Offer is therefore valued at HK\$13,774,976.62 based on the Offer Price at HK\$0.01 per Share and the full acceptance of the Offer.

The Offeror intends to finance the consideration for the Offer by the loan facility provided by Fuchsia Capital Limited in the principal amount of HK\$14 million for a term from 4 July 2023 to 30 November 2023 under the Facility Agreement. The outstanding principal, accrued interests and costs and charges payable by the Offeror under the Facility Agreement are unsecured and guaranteed by Dr. Lai as primary obligor. Fuchsia Capital Limited is principally engaged in financial investment and provision of consultancy services and is wholly and beneficially owned by Mr. Tsang Chun Ho Anthony who has over 15 years of experience in financial investment, capital operation, corporate governance, strategic planning and mergers and acquisitions. Fuchsia Capital Limited was introduced to the Offeror through Rainbow Capital.

Fuchsia Capital Limited and Mr. Tsang Chun Ho Anthony are parties acting in concert with the Offeror under class (9) of the definition of acting in concert under the Takeovers Code. Save as aforesaid, Dr. Lai confirms that she has no relationship with Fuchsia Capital Limited and Mr. Tsang Chun Ho Anthony. Fuchsia Capital Limited and Mr. Tsang Chun Ho Anthony were not Shareholders as at the Latest Practicable Date.

The Offeror does not intend that the payment of fee and interest on or repayment of the loan facility under the Facility Agreement will depend to any significant extent on the business of the Group.

Rainbow Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable by the Offeror upon full acceptance of the Offer.

---

## LETTER FROM THE BOARD

---

### Effect of accepting the Offer

The Offer will be made on the basis that valid acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that the Offer Shares sold by such person under the Offer are free from all Encumbrances and together with all rights attaching thereto, including, without limitation, the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

As at the Latest Practicable Date, no dividend has been paid or declared by the Company on the Shares, and it is advised by the Board that no dividend is expected to be declared on the Shares during the Offer Period.

Acceptance of the Offer will be irrevocable and not be capable of being withdrawn except with the consent of the Executive.

### INFORMATION ON THE COMPANY AND THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group for the years ended 31 December 2020 and 2021:

	For the year ended	
	31 December	
	2021	2020
	RMB'000	RMB'000
	(audited)	(audited)
Revenue	182,553	214,535
Net loss before tax	189,934	240,277
Net loss after tax	189,934	238,867

The audited net liabilities of the Group as at 31 December 2020 was RMB177,595,000 and the audited net liabilities of the Group as at 31 December 2021 was RMB352,468,000.

### INTENTION OF THE OFFEROR REGARDING THE GROUP

Upon the completion of the Subscription Agreement, the Offeror will become a controlling shareholder of the Company. The Offeror considers and confirms that it is intended that the Group will continue with its existing principal business following completion of the Subscription Agreement.

The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business divestment,

---

## LETTER FROM THE BOARD

---

fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential and sustainability of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules as and when appropriate. As at the Latest Practicable Date, (i) the Offeror has no intention or concrete plans for any acquisition of assets and/ or business, nor any intention to dispose of any assets and/or existing business by the Group; and (ii) the Company does not have any agreement or understanding with the Offeror or its ultimate beneficial owner in relation to the future business or operation of the Group.

Save as disclosed above, the Offeror has no intention to introduce any major changes to the existing business of the Group or redeploy the fixed assets of the Group other than in its ordinary course of business.

As at the Latest Practicable Date, (i) the Board comprised five executive Directors and three independent non-executive Directors; and (ii) the Company has no intention to appoint Dr. Lai or any person(s) to be nominated by Dr. Lai as the director or executive of the Company or its principal subsidiaries. The Offeror may further review the composition of the Board and senior management of the Company upon or after the close of the Offer and will only change the composition of the Board as and when necessary and in compliance with the Takeovers Code and the Listing Rules. As at the Latest Practicable Date, the Offeror has no intention to discontinue the employment of any of the Group's employees. Any change to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends the issued Shares to remain listed on the Stock Exchange upon the close of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure restoration of the minimum percentage of securities to public hands within a specified period which is acceptable to the Exchange.

### **LISTING RULES IMPLICATIONS**

Based on the closing price of HK\$0.024 per Share on the Last Trading Day and the average of the closing prices of the Shares for the five (5) previous consecutive trading days prior to Last Trading Day of HK\$0.0324 per Share, the theoretical diluted price is approximately HK\$0.011 per Share and the theoretical value dilution in respect of the Subscriptions is approximately 66.05%. With reference to Rule 7.27B of the Listing Rules, the Company should

---

## LETTER FROM THE BOARD

---

not undertake a subscription that would result in a theoretical dilution effect of 25% or more. However, the Company considers that the Subscriptions form part of a rescue proposal for the Company amidst the following background: (i) the debt position of the Company (including the substantial unpaid amounts in relation to the Debts); (ii) the loss-making position of the Company for six consecutive years since 2017; and (iii) the net liabilities recorded by the Company of approximately RMB352.5 million as at 31 December 2021 and the Company is of the view that there are exceptional circumstances for the purpose of Rule 7.27B of the Listing Rules and the Company should be allowed to proceed with the Subscriptions. The Company believes that the Company's situation falls within the ambit of exceptional circumstances under Rule 7.27B and the Subscriptions would be part of a rescue plan which can improve the Company's liquidity, considering:

- (i) the Offeror only agreed to enter into the Confirmation Deed for the Extension and the Waiver due to the entering into of the Subscription Agreement as the Debts would be set off in full upon completion of the Subscriptions and therefore the Subscriber agreed to the Extension to facilitate the completion of the Subscriptions. The entering into of the Subscription Agreement was therefore a vital corporate rescue action of the Company, failing which (i) the Debts owing by the Company to the Offeror would not be extended; (ii) the relevant interest amount of the Debts would not be waived so as to slightly alleviate the financial burden of the Company; (iii) the Company would be in imminent need to repay the overdue Debts or otherwise interest would continue to accrue under the Debts, which would severely affect the financial position of the Company; and (iv) the Offeror would be entitled to demand for immediate repayment of the overdue Debts and take appropriate legal actions against the Company including but not limited to the issue of statutory demand and commencement of winding up proceedings against the Company;
- (ii) as the Offeror only agreed to enter into the Confirmation Deed so as to facilitate the completion of the Subscriptions and set off the Debts in full, in the event that the Subscriptions fail to complete and the Subscription Agreement is lapsed, the Offeror may request to terminate the Confirmation Deed and request for immediate repayment of the Debts as it may be inequitable for the Company to continue to enjoy its rights under the Confirmation Deed and legal dispute may arise between the Company and the Offeror and it may be time consuming and costly for the Company to enforce its rights under the Confirmation Deed. In such case, the Company would be in a more difficult position to have any further friendly negotiations with the Offeror regarding settlement or haircut arrangement of the Debts;
- (iii) following the completion of the Subscriptions, for illustration purpose only, it is expected that the total indebtedness of the Company would be reduced from approximately HK\$1,103 million as at 31 December 2022 (unaudited) to approximately HK\$565 million. The remaining debt position of the Company in the amount of approximately HK\$565 million consists of (i) trade payables of approximately HK\$30.8 million; (ii) other payables and accruals of HK\$47.2 million; (iii) accrued interest expenses of approximately HK\$329.6 million; and (iv)



---

## LETTER FROM THE BOARD

---

borrowings of approximately HK\$157.8 million. As at 31 December 2022, the Company has recorded trade receivables in the amount of approximately HK\$94.3 million. The Company is in the progress of recovering these trade receivables, and once recovered, such amount will be more than sufficient to settle/set off the trade payables and other payables and accruals in the total amount of approximately HK\$78 million. As to the borrowings and accrued interest expenses of the Company in the total amount of HK\$487.4 million, it is comprised of loans from five different creditors of the Company. The Company considers that the Subscriptions would be a vital corporate action to introduce a new investor to the Company such that the financial position of the Company would improve after completion of the Subscriptions and it would present a positive signal and give more comfort to its creditors such that the Company would be in the better position to discuss and negotiate with the creditors further as to the repayment/settlement/restructuring of the debts so as to further improve the Company's liquidity in the long term;

- (iv) in fact, the Company already approached two out of its five creditors to discuss the settlement arrangements of their debts. In view of the Subscriptions and the possible Offer, they have indicated their willingness to enter into debt restructuring arrangements with the Company including waiver of interest of the debt, a debt haircut, extension of the repayment deadline and/or to set out a feasible repayment schedule, subject to further negotiations. The Company is also liaising with the other three creditors on the possibility of debt restructuring arrangements so as to alleviate the financial burden on the Company and likewise, if the Subscriptions proceed, the other three creditors will have more comfort on the future prospect of the Company and would be more inclined to cooperate and restructure the debts;
- (v) following the completion of the Subscriptions and subject to the debt restructuring arrangements to be entered into with the creditors, the Company believes that the net liabilities position of the Company would also be improved; and
- (vi) according to the latest consolidated unaudited management account of the Company as at 30 September 2023, the Company had cash of approximately HK\$0.73 million. As mentioned in the above, as at 31 December 2022, the Company had trade receivables in the amount of approximately HK\$94.3 million. Assuming the full recovery of the trade receivables and after settlement of the trade payables and other payables and accruals in the total amount of approximately HK\$78 million, the remaining balance of approximately HK\$16.3 million will be applied by the Company as general working capital. The Company expects that after the change in the legal representative of the PRC subsidiary has been completed, and the business operation of the Company has been resumed, the recovering of the trade receivables and revenue of the Group would gradually improve and the Company will have sufficient working capital for its business development and operation.

---

## LETTER FROM THE BOARD

---

### GENERAL

#### The EGM

The notice of the EGM is set out in pages EGM-1 to EGM-2 of this circular.

To the best of the Directors' knowledge, information and belief, no existing Shareholder has a material interest in the Subscriptions and therefore no Shareholder is required to abstain from voting in relation to the resolutions concerning the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Subscription Shares and the Convertible Bonds and the grant of the Specific Mandate at the EGM. As at the Latest Practicable Date, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them do not hold any Shares and accordingly will not be entitled to vote on any resolutions at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 21 November 2023) before the time appointed for the holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

#### Voting by way of poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting (save for certain procedural or administrative matters) must be taken by poll. The chairman of the EGM shall therefore demand voting on all resolutions set out in the notice of EGM be taken by way of poll pursuant to article 66 of the Articles.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he is the holder. A Shareholder entitled to more than one vote on a poll needs not use all his votes or cast all the votes he uses in the same way.

#### Responsibility Statement

This circular (other than the information relating to the Offeror, its ultimate beneficial owner and parties acting in concert with any of them), for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge, information and belief, the information (other than the information relating to the Offeror, its ultimate beneficial

---

## LETTER FROM THE BOARD

---

owner and parties acting in concert with any of them) contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **Recommendation**

Having considered the reasons stated under the section headed “REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENT” above, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and that the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that all the Independent Shareholders should vote in favour of the resolutions proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Subscription Shares and the Convertible Bonds and granting of Specific Mandate.

### **WARNING**

**Trading in the Shares on the Stock Exchange has been suspended since 1 September 2022. Under Rule 6.01A of the Listing Rules, the Company must ensure trading in its shares to resume by the 18-month prescribed remedial period ending on 29 February 2024. Otherwise, the Stock Exchange will be entitled to delist the Company. To resume trading, the Company must demonstrate to the Stock Exchange’s satisfaction that it has met all the resumption guidance, addressed all the issues arising from time to time warranting a trading suspension and re-complied with the Listing Rules by the resumption deadline. The Company will disclose updates on the satisfaction of resumption guidance by way of announcement, as and when appropriate.**

**Where a long suspended issuer’s corporate actions include equity fundraisings, the Stock Exchange would consider granting the required listing approval only if the issuer satisfies the Stock Exchange that upon completion of the equity fundraisings, the issuer will then have fulfilled all the resumption guidance, re-complied with the Listing Rules, and been eligible for trading resumption. Therefore, the Stock Exchange will not grant listing approval to a suspended issuer which has not demonstrated that taking into account the equity fundraisings, it would have sufficient operations and assets to warrant its continued listing under Rule 13.24 of the Listing Rules.**

**Publication of this circular does not indicate that the Stock Exchange is satisfied that the Company has fulfilled any resumption guidance nor the Company can demonstrate that there are exceptional circumstances as prescribed under Rule 7.27B justifying a subscription with theoretical dilution effect of 25% or more; nor would it constitute any decision or conclusion from the Stock Exchange not to delist the Company nor warrant any approval from the Stock Exchange on the resumption of trading in the existing shares on the Stock Exchange. Shareholders and potential investors should note that the transactions**

---

## LETTER FROM THE BOARD

---

contemplated under the Subscription Agreement are subject to certain conditions including but not limited to the resumption of trading in the shares on the Stock Exchange and may or may not proceed.

Shareholders and potential investors of the Company should exercise caution when dealing in the Company's shares, and if they are in any doubt about their positions, they should consult their professional advisers.

By Order of the Board  
**Mobile Internet (China) Holdings Limited**  
**Muk Hung Fei**  
*Chairman*

---

## NOTICE OF EGM

---

# 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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**EGM**”) of Mobile Internet (China) Holdings Limited (the “**Company**”) will be held at Offices 6501–03, 6505, 6512–13, 65/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Thursday, 23 November 2023 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the following resolutions of the Company:

### ORDINARY RESOLUTIONS

“**THAT:**

- (a) the subscription agreement dated 25 August 2023 (the “**Subscription Agreement**”) (a copy of the Subscription Agreement has been tabled at the meeting marked “A” and signed by the chairman of the Meeting for identification purpose) entered into between the Company and Max Tuner Limited (the “**Subscriber**”) in relation to the subscriptions of (i) 4,132,492,986 new shares of the Company (the “**Subscription Share(s)**”) at a subscription price of HK\$0.01 per Subscription Share; and (ii) two-year 2% coupon convertible bonds (the “**Convertible Bonds**”) in an aggregate principal amount of HK\$496,258,738.61, which are convertible into new shares of the Company (“**Conversion Shares**”) at an initial conversion price of HK\$0.01 per Share (collectively, the “**Subscriptions**”) and the transactions contemplated thereunder be and is hereby approved, ratified and confirmed;
- (b) subject to the fulfilment or waiver of the conditions precedent (as the case may be) set out in the Subscription Agreement, the grant of the specific mandate (the “**Specific Mandate**”) to the directors of the Company (the “**Director(s)**”) to exercise the powers of the Company to allot and issue (i) the Subscription Shares at HK\$0.01 per Subscription Share to the Subscriber; and (ii) the Conversion Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds to the relevant holder(s) of the Convertible Bonds pursuant to and in accordance with the terms and conditions of the Subscription Agreement be and is hereby approved, and such Subscription Shares and Conversion Shares (upon issue) shall rank *pari passu* in all respects with the then existing issued shares of the Company (the “**Share(s)**”); and

---

## NOTICE OF EGM

---

- (c) any one Director be and is hereby authorised to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things that are ancillary to the Subscriptions, as he/she may in his or her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Subscription Shares and the Convertible Bonds and the grant of the Specific Mandate, and to agree to such variations of the terms of the Subscription Agreement and the transactions contemplated thereunder as he or she may in his or her absolute discretion consider necessary or desirable.”

By order of the Board  
**Mobile Internet (China) Holdings Limited**  
**Muk Hung Fei**  
*Chairman*

Hong Kong, 31 October 2023

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. A form of proxy for the EGM is enclosed.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 21 November 2023) before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in the instrument proposes to vote.
5. Where there are joint holders of any Share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stand first on the register in respect of such Shares shall alone be entitled to vote in respect thereof.
6. The register of members of the Company will be closed from Monday, 20 November 2023 to Thursday, 23 November 2023, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 November 2023.

If tropical cyclone warning signal no. 8 or above is hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is in force at 7:00 a.m. on Thursday, 23 November 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or

---

## NOTICE OF EGM

---

red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

*As at the date of this notice, the Board comprises five executive Directors, namely Mr. Muk Hung Fei (Chairman), Mr. Chen Hong Cai, Mr. Lau Yiu Ting, Ms. Fang Wenhui and Mr. Chan Wai Kit, and three independent non-executive Directors, namely Mr. So Chi Ming, Mr. Chau Wing Nam and Mr. He Dingding.*