

# 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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino Vision Worldwide Holdings Limited, you should at once hand this circular accompanying the form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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.

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



**新維國際**  
SINO VISION WORLDWIDE

## Sino Vision Worldwide Holdings Limited 新維國際控股有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8086)**

### PROPOSED SHARE CONSOLIDATION; PLACING OF NEW SHARES UNDER SPECIFIC MANDATE; AND NOTICE OF SPECIAL GENERAL MEETING

Placing Agent



DL SECURITIES

**DL Securities (HK) Limited**

A notice convening the special general meeting (“SGM”) to be held at Unit 1603–1604, 16/F Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Friday, 20 November 2020 at 10:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use in connection with the SGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sinovisionworldwide.com](http://www.sinovisionworldwide.com)).

Whether or not you are able to attend the SGM, please complete and sign the accompany form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event, not later than 48 hours before the time appointed for holding the SGM (i.e. not later than 10:30 a.m. on 18 November 2020) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending in person and voting at the SGM (or any adjournment thereof) if you so wish and in such event, the instrument appointing your proxy shall be deemed to be revoked.

This circular together with the form of proxy will remain on the GEM website for at least 7 days from the date of its publication and on the Company’s website ([www.sinovisionworldwide.com](http://www.sinovisionworldwide.com)).

#### PRECAUTIONARY MEASURES FOR THE SGM

Please refer to pages iii of this circular for measures being taken in the attempt to prevent and control the spread of the COVID-19 at the SGM, including:

- compulsory body temperature checks and health declarations;
- each attendee is required to wear a surgical face mask throughout the SGM;
- any person who has travelled outside Hong Kong in the 14-day period prior to the SGM will not be permitted to attend the SGM; and
- no corporate gift will be distributed and no refreshment will be served at the SGM.

Any person who does not comply with the precautionary measures may be denied entry into the venue of the SGM at the Company’s discretion, to the extent permitted by the applicable laws and regulations. In light of the epidemic situation of COVID-19, the Company wishes to encourage the Shareholders to exercise their right to vote at the SGM by appointing the chairman of the SGM as their proxy.

5 November 2020

---

## CHARACTERISTICS OF GEM

---

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

---

## CONTENTS

---

	<i>Page</i>
<b>PRECAUTIONARY MEASURES FOR THE SGM</b> .....	iii
<b>DEFINITIONS</b> .....	1
<b>EXPECTED TIMETABLE</b> .....	5
<b>LETTER FROM THE BOARD</b> .....	7
<b>NOTICE OF SPECIAL GENERAL MEETING</b> .....	SGM-1

---

## PRECAUTIONARY MEASURES FOR THE SGM

---

In view of the epidemic situation of novel coronavirus (“COVID-19”) situation, the Company will take the following precautionary measures at the SGM in the attempt to prevent and control the spread of COVID-19 at the SGM:

- Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms, may be denied entry into or be required to leave the venue of the SGM at the Company’s discretion, to the extent permitted by the applicable laws and regulations.
- Each attendee is required to wear a surgical face mask throughout the SGM and inside the meeting venue, and to maintain a safe distance from other attendees.
- Any person attending the SGM will be required to make a declaration as to whether they have travelled outside Hong Kong in the 14-day period prior to the SGM, and those who has travelled outside Hong Kong in the 14-day period prior to the SGM will not be permitted to attend the SGM.
- No corporate gift will be distributed and no refreshment will be served at the SGM.

In light of the epidemic situation of COVID-19, **the Company wishes to encourage the Shareholders to exercise their right to vote at the SGM by appointing chairman of the SGM as their proxy as an alternative to the SGM in person, by completing and return the proxy form attached to this circular.**

If any Shareholder chooses not to attend the SGM in person but has any question about any resolution or about the Company, or has any matter for putting to the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at [ir@svwholdings.com](mailto:ir@svwholdings.com).

If any Shareholder has any question relating to the SGM, please contact Tricor Tengis Limited, the Company’s branch share registrar as follows:

**Tricor Tengis Limited**

Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong

Tel: +852 2980 1333

Fax: +852 2810 8185

Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures or make any changes to the arrangement of the SGM as appropriate at short notice in order to minimise any risk to the Shareholders and others attending the SGM and to comply with any requirements or recommendations of any government agencies from time to time.

---

## DEFINITIONS

---

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the GEM Listing Rule
“Board”	means the board of Directors
“Business Day(s)”	means any day (excluding Saturdays, Sundays and public holidays) on which banks generally are open for business in Hong Kong
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	means the date of Completion
“Company”	means Sino Vision Worldwide Holdings Limited 新維國際控股有限公司, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares are listed on GEM (stock code: 8086)
“Completion”	means the completion of the Placing pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Agreement), which shall take place on the Closing Date
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Consolidated Share(s)”	means ordinary share(s) of HK\$0.20 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	means the director(s) of the Company
“Existing Share(s)”	means ordinary share(s) of HK\$0.01 each in the existing share capital of the Company prior to the Share Consolidation becoming effective
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	means the Company and its subsidiaries

---

## DEFINITIONS

---

“HKSCC”	means the Hong Kong Securities Clearing Company Limited
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	means independent third parties who are not connected person(s) of the Company and are independent of and not connected with the Company or Directors, chief executive, or substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Latest Practicable Date”	29 October 2020, being the latest practicable date for ascertaining certain information contained herein prior to the printing of this circular
“Listing Committee”	means the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Placee(s)”	means any professional, institutional and other investor selected and procured by or on behalf of the Placing Agent to subscribe any of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement (as amended and supplemented by the Supplemental Agreement)
“Placing”	means the placing, on a best effort basis, of a total of up to 75,000,000 new Consolidated Shares to be allotted and issued under the Specific Mandate pursuant to the terms of the Placing Agreement (as amended and supplemented by the Supplemental Agreement)
“Placing Agent”	means DL Securities (HK) Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

---

## DEFINITIONS

---

“Placing Agreement”	means the conditional placing agreement dated 9 October 2020 entered into between the Company and the Placing Agent in relation to the Placing (as amended and supplemented by the Supplemental Agreement)
“Placing Announcement”	means the announcement of the Company dated 9 October 2020 in relation to, among other things, the Placing
“Placing Price”	means HK\$0.32 per Consolidated Share placed by the Placing Agent pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Agreement)
“Placing Share(s)”	means up to 75,000,000 new Consolidated Shares to be placed under the Placing
“SGM”	means the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, including the issue of the Placing Shares under the Specific Mandate
“Share(s)”	means the Existing Share(s) or the Consolidated Share(s), as the content may require
“Share Consolidation”	means the proposed consolidation of every 20 issued and unissued Existing Shares into one Consolidated Share of par value of HK\$0.20 each
“Share Consolidation Announcement”	means the announcement of the Company dated 23 October 2020 in relation to, among other things, the Share Consolidation and the Supplemental Agreement
“Share Options”	means the option(s) to subscribe for new Shares granted under the Share Option Scheme
“Share Option Scheme”	means the share option scheme adopted by the Company on 1 November 2016
“Shareholder(s)”	means holder(s) of the Shares
“Specific Mandate”	means the specific mandate granted to the Directors by the then Shareholders at the SGM to allot, issue and deal with the Placing Shares

---

## DEFINITIONS

---

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the GEM Listing Rules
“substantial shareholders”	has the meaning ascribed to it in the GEM Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 23 October 2020 entered into between the Company and the Placing Agent to amend certain terms of the Placing Agreement
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“%”	means per cent



---

## EXPECTED TIMETABLE

---

**The expected timetable for the Share Consolidation is set out below.**

<b>Events</b>	<b>Times and dates</b>
Latest time for lodging share transfer in order to qualify for SGM voting entitlement .....	4:30 p.m. on Monday, 16 November 2020
Closure of the register of members for the purpose of determining members who are entitled to attend the SGM.....	Tuesday, 17 November 2020 to Friday, 20 November 2020 (both days inclusive)
Latest date and time for lodging the proxy form for the SGM.....	10:30 a.m. on Wednesday, 18 November 2020
Date and time of the SGM .....	10:30 a.m. on Friday, 20 November 2020
Announcement of results of the SGM.....	Friday, 20 November 2020

**The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Consolidation as set out in this circular.**

Effective date of the Share Consolidation .....	Tuesday, 24 November 2020
First day of free exchange of existing share certificates for new share certificates .....	Tuesday, 24 November 2020
Dealings in Consolidated Shares commences .....	9:00 a.m. on Tuesday, 24 November 2020
Original counter for trading in the Existing Shares in board lots of 8,000 Shares (in the form of existing share certificates) temporarily closes.....	9:00 a.m. on Tuesday, 24 November 2020
Temporary counter for trading in Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens .....	9:00 a.m. on Tuesday, 24 November 2020

---

## EXPECTED TIMETABLE

---

Events	Times and dates
Original counter for trading in Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of new share certificates) re-opens .....	9:00 a.m. on Tuesday, 8 December 2020
Parallel trading in the Existing Shares and Consolidated Shares (in the form of existing share certificates and new share certificates) commences .....	9:00 a.m. on Tuesday, 8 December 2020
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares .....	9:00 a.m. on Tuesday, 8 December 2020
Temporary counter for trading in Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes .....	4:10 p.m. on Tuesday, 29 December 2020
Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) ends .....	4:10 p.m. on Tuesday, 29 December 2020
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares .....	4:10 p.m. on Tuesday, 29 December 2020
Last day for free exchange of existing share certificates for new share certificates .....	Monday, 4 January 2021

*Note:* All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.



**Sino Vision Worldwide Holdings Limited**  
**新維國際控股有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(Stock Code: 8086)**

*Executive Directors:*

Mr. Wang He (*Chairman*)  
Mr. Bai Long  
Mr. Huang Qing  
Mr. Lo Pak Ho

*Independent Non-executive Directors:*

Ms. Liu Pui Shan  
Mr. Lou Sai Tong  
Mr. Wei Wei

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11 Bermuda

*Head Office and Principal Place of  
Business in Hong Kong:*

Unit 9, 28/F, W50  
50 Wong Chuk Hang Road  
Wong Chuk Hang  
Hong Kong

5 November 2020

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION;  
PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to (a) the Placing Announcement in relation to, among other things, the Placing; and (b) the Share Consolidation Announcement in relation to, among other things, the Share Consolidation and the Supplemental Agreement.

The purpose of this circular is to provide you with, among other things, details of (i) the Share Consolidation; (ii) the Placing; and (iii) a notice convening the SGM.

---

## LETTER FROM THE BOARD

---

### **PROPOSED SHARE CONSOLIDATION**

The Board proposed to implement the Share Consolidation on the basis that every 20 issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one Consolidated Share of HK\$0.20 each.

### **Effects of the Share Consolidation**

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each, of which 3,679,278,496 Existing Shares have been issued as fully paid or credited as fully paid. Assuming that no further Existing Shares are allotted, issued or repurchased between the Latest Practicable Date and the date of the SGM, the authorised share capital of the Company shall become HK\$100,000,000 divided into 500,000,000 Consolidated Shares of HK\$0.20 each, of which 183,963,924 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue upon the Share Consolidation becoming effective.

Implementation of the Share Consolidation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Share Consolidation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company, nor will it result in any change in the relative rights of the Shareholders.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional on:

- (1) the passing of the necessary ordinary resolution by the Shareholders approving the Share Consolidation at the SGM;
- (2) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (3) the compliance with the relevant procedures and requirements under the laws of Bermuda and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the above conditions, the effective date of the Share Consolidation is currently expected to be effective after one clear business day after the SGM (i.e. Tuesday, 24 November 2020). As at the Latest Practicable Date, none of the conditions above has been fulfilled.

---

## LETTER FROM THE BOARD

---

### **Listing and dealings**

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued arising from the Share Consolidation.

None of the Existing Shares is listed, or dealt in, on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any other stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

### **Adjustments in relation to other securities of the Company**

#### ***Share Options***

As at the Latest Practicable Date, there were outstanding Share Options entitling the holders thereof to subscribe for up to an aggregate of 100,000,000 Existing Shares under the Share Option Scheme. The Share Consolidation will lead to adjustments to the exercise prices of the Share Options and the number of Consolidated Shares to be issued upon the exercise of the outstanding Share Options, such adjustments to be made in accordance with the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules and the Supplementary Guidance on Adjustments to the Exercise Price and Number of Share Options under the Listing Rule Requirements issued by the Stock Exchange on 5 September 2005 (the “**Supplementary Guidance**”). Assuming there is no other adjustment event under the Share Option Scheme between the Latest Practicable Date and the effective date of the Share

---

## LETTER FROM THE BOARD

---

Consolidation, the exercise prices and the number of Consolidated Shares to be issued upon the exercise of the outstanding Share Options will be adjusted as follows with effect from the effective date of the Share Consolidation:

Date of grant	Before adjustment		After adjustment	
	Number of Existing Shares to be issued upon full exercise of the Share Options	Exercise price per Existing Share	Adjusted number of Consolidated Shares to be issued upon full exercise of the Share Options	Adjusted exercise price per Consolidated Share
4 December 2019	100,000,000	HK\$0.15	5,000,000	HK\$3.00

Subject to the passing of the relevant resolution at the SGM, the Company will make further announcement on the effective date of the Share Consolidation.

### *Convertible Bonds*

As at the Latest Practicable Date, there were outstanding convertible bonds (the “**Convertible Bonds**”) of the Company, which are 2.5% coupon convertible bonds (the “**December 2017 CB**”) issued in December 2017 with an aggregated principal amount of HK\$100,000,000 held by Excel Action Global Limited (“**Excel Action**”). Pursuant to the terms and conditions of the December 2017 CB, all outstanding conversion rights of the December 2017 CB were extinguished upon the issuance of the irrevocable mandatory redemption notice by Excel Action in September 2020.

Save as disclosed above, as at the Latest Practicable Date, the Company had no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

### **REASONS FOR THE SHARE CONSOLIDATION**

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 (the “**Trading Arrangements Guidance**”) has further stated that (i) market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than

---

## LETTER FROM THE BOARD

---

HK\$2,000. In view of the recent trading price of the Shares at a level of less than HK\$0.1 and the value per board lot being less than HK\$2,000, the Board proposes to implement the Share Consolidation in order to comply with the trading requirements under the GEM Listing Rules. The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous six months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2020</b>		
May	0.089	0.041
June	0.080	0.037
July	0.068	0.039
August	0.061	0.040
September	0.078	0.016
October (up to the Latest Practicable Date)	0.018	0.010

The Share Consolidation will increase the nominal value of the Shares, and is expected to bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares. The Share Consolidation would also enable the Company to comply with the minimum transaction costs for a securities trade of HK\$2,000 as set out in the Trading Arrangements Guide.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

In view of the above, the Directors are of the view that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **OTHER ARRANGEMENTS**

#### **Free exchange of share certificates**

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Tuesday, 24 November 2020 until Monday, 4 January 2021 (both days inclusive), submit existing share certificates (in Brown colour) for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates (in Green colour) for the Consolidated Shares, on the basis of 20 Existing Shares for one Consolidated Share.

---

## LETTER FROM THE BOARD

---

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

After 29 December 2020, share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder.

### **Odd lots arrangement and matching services**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed DL Securities (HK) Limited as an agent to provide matching services, on a best effort basis regarding the sale and purchase of odd lots of the Consolidated Shares from 9:00 a.m. on Tuesday, 8 December 2020 to 4:10 p.m. on Tuesday, 29 December 2020 (both days inclusive). Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares, should contact DL Securities (HK) Limited at Flat 2801, 28/F, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong (telephone number: +852 3575 8118) during the office hours of such period.

Shareholders with odd lot holdings of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is on a best efforts basis. Successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

### **PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

On 9 October 2020 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent conditionally agreed to place as the Company's placing agent on a best effort basis the Placing Shares up to 1,500,000,000 new Existing Shares at the placing price of HK\$0.016 per Existing Share to be placed by the Placing Agent pursuant to the Placing Agreement.



---

## LETTER FROM THE BOARD

---

### THE PLACING AGREEMENT

- Date: 9 October 2020 (after trading hours)
- Parties: (i) the Company, being the issuer; and
- (ii) DL Securities (HK) Limited, being the Placing Agent.
- (each a “**Party**” and collectively, the “**Parties**”)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

### Placing Fees

The Placing Agent will charge the Company a placing commission of 3.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares actually placed. The Placing commission was negotiated on an arm’s length basis between the Company and the Placing Agent, and determined with reference to, amongst other things, the market rate and the price performance of the Shares.

### Placees

Pursuant to the Placing Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six Placees, who/which will be professional, institutional and other investors selected and procured by or on behalf of the Placing Agent on a best effort basis.

The Placing Agent will, to the extent practicable and lawful, use its reasonable endeavours to ensure that the Placees (if applicable, together with their respective ultimate beneficial owners) will be (i) Independent Third Parties; and (ii) independent from, not connected or associated with, and not acting in concert with one another or any of the Directors, chief executive or substantial Shareholders of the Company and any of its subsidiaries and their respective associates to the effect that any Placing to such Placee(s) shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code. The Placing Agent shall also use its best endeavours to ensure that no Placee shall become a substantial Shareholder of the Company as a result of the Placing (taking into account other securities held by such Placee(s) at the time of his/her/its subscription of the Placing Shares).

---

## LETTER FROM THE BOARD

---

### Number of Placing Shares

The Company has conditionally agreed to place, through the Placing Agent on a best effort basis, 1,500,000,000 new Existing Shares, representing (i) approximately 40.77% of the existing total number of issued Shares, and (ii) approximately 28.96% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Closing Date.

The aggregate nominal value of the maximum number of Placing Shares amounts to HK\$15,000,000.00.

### Placing Price

The placing price of HK\$0.016 per Existing Share represents:

- (i) a premium to approximately 6.67% to the closing price of HK\$0.015 per Existing Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a discount of approximately 5.88% to the average closing price of HK\$0.017 per Existing Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement; and
- (iii) a premium to approximately 33.33% to the closing price of HK\$0.012 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date.

The placing price of HK\$0.016 per Existing Share was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent.

The net issue price per Placing Share (after deduction of the Placing commission and other related expenses as described above) is approximately HK\$0.015 per Existing Share, assuming that the Placing is completed in full.

During the 12 month period immediately preceding the Latest Practicable Date, save for the placing of 613,208,000 Existing Shares under general mandate which was completed in May 2020 (the "**May 2020 Placing**"), the Company has not undertaken (whether by reference to the date of announcement or the date of share issue) any rights issue, open offer or specific mandate placing. The cumulative theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) for the Placing under the Specific Mandate is approximately 4.04%.

### Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

---

## LETTER FROM THE BOARD

---

### **Conditions of the Placing**

Completion of the Placing is conditional upon the satisfaction or waiver (where permissible) of the following conditions:

- (a) the passing of a resolution at the SGM by the Shareholders to approve, amongst other things, the Placing Agreement, the Specific Mandate to issue the Placing Shares and the transactions contemplated thereunder;
- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently revoked);
- (c) the Company will be able to meet the public float requirement under the GEM Listing Rules upon Completion;
- (d) all necessary consents, approvals, authorisations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement;
- (e) the representations, warranties and undertakings of the Company being true and correct in all material respects as of Closing Date as though made on and as of such date except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date; and
- (f) each of the Placing Agent and the Company shall have performed or complied in all material respects with all agreements and covenants required by the Placing Agreement to be performed or complied with by it on or prior to the Closing Date.

The conditions set out in paragraphs (a) to (d) cannot be waived by the Company or the Placing Agent. Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the conditions set out above.

### **Completion of the Placing**

Completion of the Placing shall take place within 5 Business Days after satisfaction of all the conditions of the Placing or such other time or date as the Company and the Placing Agent shall agree in writing.

### **Specific Mandate to issue the Placing Shares**

The Placing Shares proposed to be issued under the Placing Agreement will be allotted and issued under the Specific Mandate, which is subject to the Shareholders' approval at the SGM.

---

## LETTER FROM THE BOARD

---

### Application for Listing

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

### Termination of the Placing Agreement

During the period from the date of the Placing Agreement to completion of the Placing Agreement on the Closing Date:

- (a) if any of the conditions of the Placing shall not have been satisfied to the satisfaction of or waived by the Placing Agent and the Company by 30 November 2020, being the Long Stop Date, the Placing Agreement and the respective obligations of the Placing Agent and the Company thereunder shall cease and terminate immediately at that time (without any further action of any party required);
- (b) the Placing Agreement may be terminated by the mutual agreement of the parties thereof; or
- (c) if there develops, occurs or comes into force any of the following during the period from the date of the Placing Agreement to 8:00 a.m. on the Closing Date:
  - (i) any new law or regulation or any change in existing laws or regulations which in the sole and absolute opinion of the Placing Agent has or may be or is likely to have a material adverse effect on the financial position of the Company or any of its subsidiaries as a whole;
  - (ii) any event, or series of events, beyond the reasonable control of the Placing Agent or any event or circumstances in the nature of force majeure (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism, acts of war and acts of God), in each case involving or affecting any of Bermuda, Hong Kong or any jurisdiction relevant to any member of the Group;
  - (iii) a general moratorium on commercial banking activities declared by relevant authorities in any of Bermuda, Hong Kong or any jurisdiction relevant to any member of the Group or a material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services in any of Bermuda, Hong Kong or any jurisdiction relevant to any member of the Group;
  - (iv) any material adverse change in or affecting any taxation, exchange controls, currency exchange rates or foreign exchange regulations or the implementation of any exchange control in any of Bermuda, Hong Kong or any jurisdiction relevant to any member of the Group;

---

## LETTER FROM THE BOARD

---

- (v) any prohibition on the Company for whatever reason from offering, allotting or issuing any of the Placing Shares pursuant to the terms of the Placing Agreement;
- (vi) the commencement by any regulatory or political body or organisation of any criminal or regulatory investigation or action against any member of the Group, any Director or an announcement by any regulatory or political body or organisation that it intends to take any such action;
- (vii) the chief executive officer or chief financial officer of the Company being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of the Company;
- (viii) any order or petition for the winding up of any member of the Group or any composition or arrangement being made by any member of the Group with its creditors or any scheme of arrangement being entered into by any member of the Group or any resolution for the winding up of any member of the Group being entered into by any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;
- (ix) any material adverse change (whether or not permanent) in local, national or international financial, political, economic conditions, financial, banking, capital markets, currency exchange rates, credit default swap prices, secondary bond prices, exchange controls, or the occurrence of any event or series of events outside of the Placing Agent's or the Company's control; or
- (x) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or other similar reasons,

which, in the sole and absolute opinion of the Placing Agent, (i) likely to or does prejudice materially (A) the success of the offering and distribution of the Placing Shares or (B) dealings in the Placing Shares in the secondary market, or (ii) make it (A) impractical or (B) inadvisable, to market the Placing Shares, then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, and the Company shall not be liable to pay any commission pursuant to the Placing Agreement.

### **SUPPLEMENTAL AGREEMENT TO THE PLACING AGREEMENT**

In view of the Share Consolidation, on 23 October 2020 (after trading hours), the Company entered into the Supplemental Agreement with the Placing Agent to amend certain terms of the Placing Agreement to reflect the Share Consolidation, the adjusted Placing Price and the

---

## LETTER FROM THE BOARD

---

adjusted number of Placing Shares to be placed pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Agreement) after the Share Consolidation has become effective.

A summary of the principal terms of the Supplemental Agreement are as follows:

- Date: 23 October 2020 (after trading hours)
- Parties: (i) the Company, being the issuer; and
- (ii) DL Securities (HK) Limited, being the Placing Agent.

Pursuant to the terms of the Supplemental Agreement, the Company and the Placing Agent conditionally agreed to amend the terms of the Placing Agreement as follows:

- (i) The Placing Agent will procure the Placing Shares of up to 75,000,000 new Consolidated Shares (instead of 1,500,000,000 new Existing Shares) to be placed to not less than six Places at the Placing Price of HK\$0.32 per Consolidated Share (instead of HK\$0.016 per Existing Share) on a best effort basis;
- (ii) Completion of the Placing is conditional upon the satisfaction or waiver (where permissible) of the following conditions:
  - (a) the Share Consolidation became effective;
  - (b) the passing of a resolution at the SGM by the Shareholders to approve, amongst other things, the Placing Agreement, the Specific Mandate to issue the Placing Shares and the transactions contemplated thereunder;
  - (c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently revoked);
  - (d) the Company will be able to meet the public float requirement under the GEM Listing Rules upon Completion;
  - (e) all necessary consents, approvals, authorisations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement;
  - (f) the representations, warranties and undertakings of the Company being true and correct in all material respects as of Closing Date as though made on and as of such date except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date; and

---

## LETTER FROM THE BOARD

---

- (g) each of the Placing Agent and the Company shall have performed or complied in all material respects with all agreements and covenants required by the Placing Agreement to be performed or complied with by it on or prior to the Closing Date.

The conditions set out in paragraphs (a) to (e) cannot be waived by the Company or the Placing Agent. Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the conditions set out above.

As at the Latest Practicable Date, none of the above conditions to the Placing Agreement (as amended and supplemented by the Supplemental Agreement) has been fulfilled.

Save as amended by the Supplemental Agreement, all other terms and conditions under the Placing Agreement shall remain unchanged.

### REASONS FOR AND BENEFITS OF THE PLACING

The Group is principally engaged in (i) e-commerce and provision of online sales platform; (ii) money lending business; and (iii) intellectual property (“IP”) rights licensing and international IP development, media integrated marketing and distribution agency and trading of sports and related products business. As disclosed in the Company’s unaudited annual results announcement for the year ended 30 June 2020 (the “**2020 Unaudited Annual Results Announcement**”), the Group’s total current liabilities as at 30 June 2020 was approximately HK\$188,750,000; whilst the Group’s total current asset as at 30 June 2020 was approximately HK\$199,228,000, of which the total amount of cash and cash equivalents was approximately HK\$28,157,000. The increase in current liabilities was mainly attributable to (a) zero coupon convertible bonds (the “**August 2017 CB**”) issued in August 2017 with an aggregated principal amount of HK\$30,000,000 held by Sense Capital Investment I Limited (“**Sense Capital**”); and (b) the 2.5% coupon December 2017 CB issued in December 2017 with an aggregated principal amount of HK\$100,000,000 held by Excel Action.

In May 2020, the Company completed the May 2020 Placing raising net proceeds of approximately HK\$20.73 million, which were intended to be used for the settlement of the principal and interest of the August 2017 CB and the December 2017 CB if the Company is called upon to redeem these convertible bonds without conversion or to apply for settlement of the Group’s other debts and liabilities as they fall due, if the August 2017 CB and the December 2017 CB are converted without redemption. The net proceeds remained unutilised as at 30 June 2020 and up to the date of the Latest Practicable Date.

Despite the redemption of the August 2017 CB in August 2017 by Sense Capital and the completion of the May 2020 Placing, the Group faces imminent pressure to settle (i) the outstanding principal and interests of the December 2017 CB which will due in November 2020; and (ii) other current liabilities of approximately HK\$61,497,000 due or falling due within twelve months.

---

## LETTER FROM THE BOARD

---

In anticipation of the respective repayment dates of the August 2017 CB and the December 2017 CB, the Company, having considered the adverse impact and uncertainties brought about by the pandemic associated with the novel coronavirus (COVID-19), engaged in negotiations with representatives of Sense Capital and Excel Action since July 2020 in relation to possible extension of the maturity dates and/or conversion pursuant to the terms and conditions of the August 2017 CB and the December 2017 CB. Whereas the August 2017 CB was redeemed in full utilising the proceeds raised from the 3.5% coupon bond subscription in the aggregate principal amount of HK\$30 million by Sense Media, the Company received a mandatory redemption notice from Excel Action in September 2020 requiring the Company to redeem all outstanding December 2017 CB on the maturity date.

The Directors have considered various fund raising methods (such as debt financing and/or other equity financing options) to meet the liquidity needs of the Group before resolving to the Placing.

### **Debt financing**

In respect of debt financing, the management of the Group had approached various banks and financial institutions to explore the possibility of obtaining loans or credit facilities. The Company approached two relationship banks in Hong Kong in relation to the obtaining of sizable loans or credit facilities to cover the outstanding current liabilities, but did not receive any positive feedbacks due to the Company's inability to provide collateral(s) acceptable to the banks; whilst the financial institutions approached by the Company indicated that they could only provide loans or credit facilities with unfavourable interest rates ranging from 7% to 12% due to the existing financial position of the Group and the COVID-19 pandemic.

As disclosed in the 2020 Unaudited Annual Results Announcement, the Group recorded net assets of approximately HK\$28 million for the year ended 30 June 2020 and an increase in gearing ratio from 48% for the year ended 30 June 2019 to 85% for the year ended 30 June 2020. Given the Group's current financial position and high gearing ratio, the Company considered it to be (i) difficult to obtain debt financing at a reasonable cost and (ii) undesirable to raise funds entirely for repayment of the outstanding principal and 2.5% p.a. interests of the December 2017 CB by debt financing under such unfavourable interest rate, which in turn might lead the Group into a net liabilities position.

### **Other equity financing**

In respect of other equity financing options such as rights issue and open offer, the Company reviewed the feasibility of raising funds via pre-emptive share issue including rights issue and open offer.



---

## LETTER FROM THE BOARD

---

Having considered:

- (i) the Company's current liabilities as disclosed in the Unaudited Annual Results Announcement, of which delays in certain repayments would incur additional interest expenses;
- (ii) the relatively higher costs for conducting rights issue or open offer due to additional costs for engagement of underwriter(s), reporting accountants, financial advisers and/or brokerage agent(s);
- (iii) the relatively longer timetable for rights issue or open offer which usually takes at least two to three months due to more stringent documentary and registration requirements; and
- (iv) the performance of the Company's share price in September 2020,

the Company believed it to be only appropriate and cost effective to conduct a sizable rights issue or an open offer on the basis of at least three (3) rights shares/offer shares for every two (2) Existing Shares to raise approximately HK\$88 million.

In reviewing the feasibility of such sizable rights issue, the Company was given to understand that it would be difficult to identify an independent underwriter in Hong Kong which is interested to underwrite a rights issue of the Company under favourable terms, given the Company's loss-making position during the year ended 30 June 2020 and the unsatisfactory share price performance. The Company also understands that a rights issue (with or without underwriting) usually takes at least two to three months to complete, which include:

- (a) at least one week for negotiating terms with and engaging the underwriter(s) (if any), legal advisors, reporting accountants, brokerage agent(s) and/or financial advisers (if required); drafting and preparing for the underwriting agreement (if any) and the announcement(s); vetting and confirming of the rights issue trading arrangements and timetable with the Stock Exchange;
- (b) as independent Shareholders' approval is required for rights issue which will increase the issued share capital or market capitalisation by more than 50%, (i) at least one month for drafting, preparing and vetting of the circular and completing the required procedures by the reporting accountants for inclusion of the accountant's report, unaudited proforma financial statements and statement of indebtedness etc (the process of which will be affected by when the reporting accountants receive the audit confirmations and the bank confirmations), plus (ii) at least 14 clear days' notice period for convening the special general meeting to obtain independent Shareholder's approval;

---

## LETTER FROM THE BOARD

---

- (c) at least one month for drafting, preparing and vetting of the prospectus, completing the required procedures by the reporting accountants for updating the accountant's report, unaudited proforma financial statements and statement of indebtedness etc (the process of which will be affected by when the reporting accountants receive the audit confirmations and the bank confirmations); bulk printing, preparing for registration of the prospectus with the Companies Registry in Hong Kong and dispatching of the prospectus; and
- (d) at least three weeks for completion of rights issue, which include the dealing in nil paid rights and the arrangements for acceptance and payment for rights shares and application for excess rights shares.

Based on the above expected timetable, the Company anticipated that a rights issue would not be able to complete on or before mid-December 2020 even if the Company managed to kick-off the rights issue immediately upon the receipt of the mandatory redemption notice. Furthermore, the timetable clash with its auditing procedures for the annual results for the year ended 30 June 2020, coupled with the adverse impact of the COVID-19 pandemic causing its auditors unable to receive audit confirmations and bank confirmations (or complete the relevant alternative audit procedures) on or before end of October 2020, would cause further interruption to the expected timetable for rights issue due to the documentary requirement of including in the circular and the prospectus, *inter alia*, an statement of indebtedness which could not be issued or verified by the auditor without having received audit confirmations and bank confirmations, or alternatively, completing the relevant alternative audit procedures.

Taking into account the above, the Company considered that a rights issue (either with or without underwriters) would not be completed in time for the repayment of certain current liabilities, and would therefore incur additional interest expenses. Moreover, even if the Company decides to proceed a rights issue without underwriting, there would be no indication as to whether the qualifying Shareholders would take up, give up or sell their entitlements or whether the qualifying Shareholders would reserve fundings for further investment in the Shares (in particular, amid such unfavourable business and financial environment due to COVID-19 pandemic), which causes uncertainties to the amount of funds raised under such rights issue; such timetable would be further delayed if the Company decides to raise funds through a combined arrangement of non-underwritten rights issue and placing of shares in order to ensure the amount of funds raised is sufficient.

Whereas a right issue would have been offered to the Shareholders on a pro rata entitlement basis which allows the qualifying Shareholders to choose either to take up, give up or sell their entitlements, an underwritten rights issue of such fundraising size would have resulted in a significant dilutive impact to their shareholding interests in the Company for those qualifying Shareholders who choose not to take up their assured entitlements in full.

In view of (i) the comparatively higher cost; (ii) the difficulty in identifying interested underwriters with favourable terms; (iii) the comparatively longer timetable which would not be able to complete in time, resulting in additional interest expenses to be incurred; (iv) the

---

## LETTER FROM THE BOARD

---

undesirable dilutive effect to the qualifying Shareholder's shareholding interests in the Company if they choose not to take up all of their assured entitlement in such sizable pre-emptive issue; and (v) the uncertainty in qualifying Shareholder's investment in respect of the pre-emptive equity financing, the Company does not consider rights issue and open offer to be desirable alternatives to the Placing having considered the Group and Shareholders' interest as a whole.

Accordingly, having considered the reasons stated above and in view of (a) the adverse impact and unfavorable market conditions brought about by the unexpected COVID-19 pandemic which is expected to continue impacting the global financial market and the business operation of the Group for the remainder of 2020; and (b) the urgency to satisfy the Group's one-off repayment obligations of its current liabilities (including the December 2017 CB which will due at the end of November 2020), the Directors considered that the Placing represents the most efficient method for the Company to raise additional capital for the Company and an opportunity to lessen the immediate financial needs of the Group to repay the existing debts, to strengthen the cash position of the Group and to broaden the Shareholder base.

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing are estimated to be HK\$24.00 million, and the maximum net proceeds, after deducting the placing fee, brokerage, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$22.86 million.

The net proceeds from the Placing of approximately HK\$22.86 million are intended to be used for the settlement of the December 2017 CB or the Group's other debts and liabilities as they fall due. The Company intends to settle the outstanding principal and interest of the December 2017 CB in the amount of HK\$107.50 million by (a) approximately HK\$20.73 million from the May 2020 Placing; (b) approximately HK\$22.86 million from the Placing if all the Placing Shares are placed in full; (c) approximately HK\$29.91 million from certain customers committed to early repayment of loans granted by the Company; (d) approximately HK\$4.00 million from certain customer whose loan matures before the due date of the December 2017 CB; and (e) the remaining amount of approximately HK\$30.00 million from debt financing. In the event that the Placing could not be completed on or before the maturity date, the Company intends to further raise funds/draw-down from short-term loans or facilities which would later be repaid by the net proceeds raised from the Placing after Completion.

Having considered above, the Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Placing, the Placing Price and the Placing commission payable to the Placing Agent) are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

Apart from the fund raising activity mentioned below, the Company has not conducted any other fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of net proceeds
21 April 2020	Placing of up to 613,214,099 new Existing Shares at the placing price of HK\$0.035 per Existing Share under general mandate, which was completed on 14 May 2020	HK\$20.73 million	Settlement of the principal and interest of the August 2017 CB and the December 2017 CB if the Company is called upon to redeem these convertible bonds without conversion or to apply for settlement of the Group's other debts and liabilities as they fall due, if the August 2017 CB and the December 2017 CB are converted without redemption	The net proceeds remained unutilised as at the latest practicable date.

## LETTER FROM THE BOARD

### CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the latest practicable date, and (ii) immediately after completion of the Placing, assuming that all of the Placing Shares are placed in full and no further Shares have been issued or repurchased before completion of the Placing and there will be no change in the issued share capital of the Company between the latest practicable date and the Closing Date:

	As at the Latest Practicable Date		Immediately after completion of the Placing (assuming that all of the Placing Shares are placed in full and there will be no change in the issued share capital of the Company between the latest practicable date and the Closing Date)	
	Number of Existing Shares	Approximate %	Number of Existing Shares/ Number of Consolidated Shares	Approximate %
Mr. Wang He ( <i>Note</i> )	904,559,072	24.59%	904,559,072/ 45,227,953	17.47%
<b>Public Shareholders</b>				
Placees	–	–	1,500,000,000/ 75,000,000	28.96%
Other public Shareholders	2,774,719,424	75.41%	2,774,719,424/ 138,735,971	53.57%
<b>Total</b>	<b>3,679,278,496</b>	<b>100.00%</b>	<b>5,179,278,496/ 258,963,924</b>	<b>100.00%</b>

*Note:* Mr. Wang He (“**Mr. Wang**”) is an executive Director. These 904,559,072 Existing Shares deemed to be interested by Mr. Wang comprised (a) 882,639,072 Existing Shares held by Sense Capital Investment I Limited, a controlled corporation wholly-owned by Sense Media Group Holdings Limited which was controlled as to 35% by Mr. Wang; and (b) 21,920,000 Existing Shares held by Mr. Wang personally.

### SGM

The SGM will be held at Unit 1603–1604, 16/F Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong, on Friday, 20 November 2020 at 10:30 a.m. for the Shareholders to consider and, if thought fit, to approve (i) the Share Consolidation and (ii) the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, including the issue of the Placing Shares under the Specific Mandate.

---

## LETTER FROM THE BOARD

---

A notice of SGM is set out on pages SGM-1 to SGM-3 of this circular. At the SGM, resolutions will be proposed to approve, *inter alia*, (i) the Share Consolidation and (ii) the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Placing Shares).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in (i) the Share Consolidation and (ii) the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, and is required to abstain from voting at the SGM in respect of the resolution(s) approving the Share Consolidation and/or the Placing.

Pursuant to the GEM Listing Rules and Bye-Law 66, any vote of shareholders at the general meeting must be taken by poll (except where the chairman of the meeting in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands). Accordingly, the chairman of the meeting will demand a poll for every proposed resolutions put to vote at the SGM. An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use in connection with the SGM is enclosed with this circular. Such form of proxy is also published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sinovisionworldwide.com](http://www.sinovisionworldwide.com)). Whether or not you are able to attend the SGM, please complete and sign the accompany form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event, not later than 48 hours before the time appointed for holding the SGM (i.e. not later than 10:30 a.m. on 18 November 2020) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending in person and voting at the SGM (or any adjournment thereof) if you so wish and in such event, the instrument appointing your proxy shall be deemed to have been revoked.

### RECOMMENDATION

The Directors consider that the Share Consolidation, the terms of Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Placing Shares) are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

---

## LETTER FROM THE BOARD

---

### RESPONSIBILITY STATEMENT

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

Yours faithfully

By order of the Board

**Sino Vision Worldwide Holdings Limited**

**Wang He**

*Chairman*

---

## NOTICE OF SPECIAL GENERAL MEETING

---



### Sino Vision Worldwide Holdings Limited 新維國際控股有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
(Stock Code: 8086)

## NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**Meeting**”) of Sino Vision Worldwide Holdings Limited (the “**Company**”) will be held at Unit 1603–1604, 16/F Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Friday, 20 November 2020 at 10:30 a.m. for the purpose of considering, and if thought fit, with or without amendments or modifications, passing the following resolution(s) as ordinary resolution(s) of the Company:

### ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Consolidated Shares (as hereinafter defined), every 20 issued and unissued shares of HK\$0.01 each in the issued and authorised share capital of the Company be consolidated into one share of HK\$0.20 (each a “**Consolidated Share**”) with effect from the business day immediately following one business day after the day on which this resolution is passed (the “**Share Consolidation**”) and the directors of the Company (the “**Directors**”) be authorised to issue new share certificates in respect of the Consolidated Shares to holders of issued shares of HK\$0.01 each of the Company pursuant to the Share Consolidation and to do all things and execute all documents (including under common seal where applicable) and deliver all such documents, instruments and agreements which they consider necessary, desirable or expedient to give effect to or otherwise in connection with or incidental to the Share Consolidation, including but not limited to disregarding fractional entitlements, making arrangements for the settlement and disposal of fractional entitlements, if any, arising from or in connection therewith and, in particular (but without prejudice to the generality of the foregoing), by aggregating any fractional entitlements arising as a result thereof and selling the same for the benefit of the Company in such manner and on such terms as the Directors may think fit and/or repurchasing (and, if thought fit, cancelling) any fractional entitlements in such manner and on such terms as the Directors may think fit.”



---

## NOTICE OF SPECIAL GENERAL MEETING

---

2. “THAT:

- (a) the entering into of the placing agreement dated 9 October 2020 (the “**Placing Agreement**”, a copy of which has been produced to this meeting marked “A” and signed by the chairman of the Meeting identification purpose) entered into between the Company and DL Securities (HK) Limited (the “**Placing Agent**”), as amended and supplemented by the supplemental agreement dated 23 October 2020 (the “**Supplemental Agreement**”) to the Placing Agreement, in relation to the placing (the “**Placing**”) of up to 75,000,000 new consolidated ordinary share(s) of HK\$0.20 in the capital of the Company (the “**Placing Shares**”, each a “**Placing Share**”) on a best efforts basis at the placing price of HK\$0.32 per Placing Share, and all transactions contemplated thereunder and all other matters thereof and incidental thereto and in connected therewith, be and are hereby general and unconditionally approved, confirmed and ratified in all respects;
- (b) conditional upon the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares to be allotted and issued, the Directors be and are hereby granted a specific mandate (the “**Specific Mandate**”) to allot, issue and deal with the Placing Shares on the term and subject to the conditions of the Placing Agreement (as amended and supplemented by the Supplemental Agreement), provided that such Specific Mandate being additional to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) the Directors be and are hereby generally and unconditionally authorised to do all such acts or things and execute (including under common seal where applicable) and deliver all such documents, instruments and agreements which they consider necessary, desirable or expedient to give effect to or otherwise in connection with the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, and the allotment and issue of the Placing Shares under the Specific Mandate, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company.”

By order of the Board  
**Sino Vision Worldwide Holdings Limited**  
**Wang He**  
*Chairman*

Hong Kong, 5 November 2020

---

## NOTICE OF SPECIAL GENERAL MEETING

---

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11 Bermuda

*Head Office and Principal Place of Business in Hong Kong:*

Unit 9, 28/F, W50  
50 Wong Chuk Hang Road Wong Chuk Hang  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or if he holds two or more shares, more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the Meeting or any adjournment thereof.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
5. The register of members of the Company will be closed from Tuesday, 17 November 2020 to Friday, 20 November 2020, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming special general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 16 November 2020.
6. A form of proxy for use at the Meeting is enclosed with the circular to the shareholders of the Company dated 5 November 2020.

*As at the date of this notice, the executive Directors are Mr. Wang He, Mr. Bai Long, Mr. Huang Qing and Mr. Lo Pak Ho, and the independent non-executive Directors are Ms. Liu Pui Shan, Mr. Lou Sai Tong and Mr. Wei Wei.*