



CNC HOLDINGS LIMITED
中國新華電視控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8356)

15 March 2024

To the Independent Shareholders

Dear Sir or Madam,

- (1) CONNECTED TRANSACTION
INVOLVING SUBSCRIPTION OF
NEW SHARES UNDER SHARE SPECIFIC MANDATE;**
**(2) SPECIAL DEAL AND CONNECTED TRANSACTION
IN RELATION TO
FIFTH AMENDMENT OF THE TERMS AND CONDITIONS OF
THE EXISTING CONVERTIBLE BONDS;**
**(3) SPECIAL DEAL AND CONNECTED TRANSACTION
IN RELATION TO
THE ISSUE OF CONVERTIBLE BONDS A
UNDER CB SPECIFIC MANDATE A;**
**(4) SPECIAL DEAL AND CONNECTED TRANSACTION
IN RELATION TO
THE ISSUE OF CONVERTIBLE BONDS B
UNDER CB SPECIFIC MANDATE B;**
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated 15 March 2024 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Takeovers Code Independent Board Committee and to advise the Independent Shareholders as to whether, in our opinion, the Special Deals are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders how to vote in relation to the ordinary resolutions to approve, among others, (i) the repayment of outstanding amounts due to the Vendor and its fellow subsidiary out of the net proceeds to be raised from the Share Subscription; (ii) the Fifth Supplemental Deed and the transactions contemplated thereunder; (iii) the CB Subscription Agreement A and the transactions contemplated thereunder; and (iv) the CB Subscription Agreement B and the transactions contemplated thereunder, to be proposed at the EGM, details of which are set out in the "Letter from the Board" contained in the Circular.

INCU Corporate Finance Limited has been appointed with the approval of the Takeovers Code Independent Board Committee as the Independent Financial Adviser to advise the Takeovers Code Independent Board Committee and the Independent Shareholders in these respects. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 58 to 108 of the Circular. Your attention is also drawn to the Letter from the Board set out on pages 11 to 51 of the Circular and the additional information set out in the appendices to this Circular.

RECOMMENDATION

Having considered the terms of the Special Deals and the advice from the Independent Financial Adviser, we consider that although the transactions contemplated under each of the Share Subscription Agreement, the Fifth Supplemental Deed, the CB Subscription Agreement A and the CB Subscription Agreement B are not in the ordinary and usual course of the business of the Group, the terms of the (i) the Share Subscription Agreement and the transactions contemplated thereunder; (ii) the Fifth Supplemental Deed and the transactions contemplated thereunder; (iii) the CB Subscription Agreement A and the transactions contemplated thereunder; and (iv) the CB Subscription Agreement B and the transactions contemplated thereunder, are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Special Deals.

Yours faithfully,
For and on behalf of
the Takeovers Code Independent Board Committee of
CNC HOLDINGS LIMITED


Mr. Law Cheuk Hung
Non-executive Director

Mr. Wu Guo Ming
Independent non-executive Director

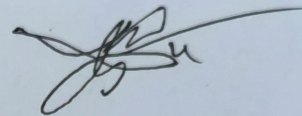
Mr. Wan Chi Keung, Aaron, BBS, JP.
Independent non-executive Director

Mr. Kwok Man To Paul
Independent non-executive Director

Mr. Chin Chi Ho Stanley
Independent non-executive Director

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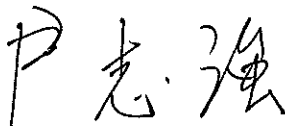
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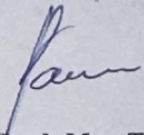
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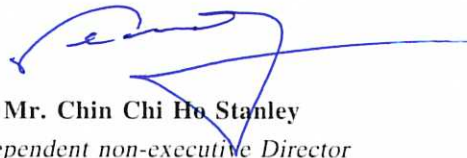
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