
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, solicitors, professional accountant or other professional adviser.

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

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



NOIZ GROUP LIMITED

聲揚集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

**CONNECTED TRANSACTION –
PROPOSED ISSUE OF PERPETUAL CONVERTIBLE SECURITIES
UNDER SPECIFIC MANDATE
AND
NOTICE OF EGM**

Financial Adviser to the Company

MERDEKA 領智

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

MESSIS 大有融資

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 28 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages 29 to 30 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 31 to 62 of this circular.

A notice convening the EGM of NOIZ Group Limited to be held at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Monday, 25 November 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for the EGM is enclosed with this circular.

Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the EGM (i.e. 11:00 a.m. on Saturday, 23 November 2024) or any adjournment thereof (as the case may be). Such form of proxy for the EGM is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.noiz-group.com). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment or postponement thereof (as the case may be) should you so wish.

This circular will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least seven days from the day of its publication and will be published and remains on the website of the Company at www.noiz-group.com.

8 November 2024

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions shall have the meanings as set out below:

“2025 August CBs”	collectively, the First 2025 August CB and the Second 2025 August CB
“Announcement”	the announcement of the Company dated 10 October 2024 in relation to, among other things, the Subscription and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“Chairman”	the chairman of the Board
“Company”	NOIZ Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM of the Stock Exchange (stock code: 8163)
“Completion”	the completion of the Subscription under the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Conversion Price”	the conversion price per Conversion Share and initially at HK\$0.10 per Conversion Share (subject to adjustments) of the Convertible Securities
“Conversion Share(s)”	the Shares to be issued and allotted upon conversion of the Convertible Securities
“Convertible Securities”	the perpetual convertible securities in the principal amount of HK\$101,000,000 to be issued by the Company to the Subscriber
“Director(s)”	director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and approve the Subscription Agreement and the transactions respectively contemplated thereunder including the grant of the Specific Mandate for the allotment and issue of the Conversion Shares
“First 2025 August CB”	the zero coupon convertible bonds due on 31 August 2025 issued by the Company to Team Sunny on 28 December 2022 (as amended and supplemented by the deed of amendment dated 14 July 2023) with an outstanding principal amount of HK\$91,000,000 as at the Latest Practicable Date
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries (from time to time)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, established to advise the Independent Shareholders as to the fairness and reasonableness of the Subscription Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders not required under the GEM Listing Rules to abstain from voting on the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder including but not limited to the grant of the Specific Mandate for the allotment and issue of the Conversion Shares

DEFINITIONS

“Latest Practicable Date”	5 November 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Mr. Wong”	Mr. Wong Hin Shek, the sole beneficial owner of the Subscriber which is a substantial Shareholder of the Company and interested in 174,421,666 Shares, representing approximately 28.86% of the issued share capital of the Company as at the Latest Practicable Date
“PRC”	the People’s Republic of China which, and for the sole purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Second 2025 August CB”	the zero coupon convertible bonds due on 31 August 2025 issued by the Company to Team Sunny on 31 August 2023 with an outstanding principal amount of HK\$10,000,000 as at the Latest Practicable Date
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme of the Company adopted on 30 December 2020
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders at the EGM to allot and issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “Team Sunny”	Team Sunny International Holdings Limited, a company incorporated in the British Virgin Islands, which is the legal and beneficial owner of 174,421,666 Shares, and is wholly-owned by Mr. Wong
“Subscription”	the subscription of the Convertible Securities under the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 10 October 2024 and entered into between the Company as issuer and the Subscriber in relation to the subscription of the Convertible Securities

DEFINITIONS

“Subscription Price”	the subscription price of HK\$101,000,000 pursuant to the Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“%”	per cent



NOIZ GROUP LIMITED
聲揚集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

Executive Directors:

Mr. Wong Hin Shek

(Chairman and Chief Executive Officer)

Independent non-executive Directors:

Ms. Ng Ka Sim, Casina

Mr. Wong Wing Kit

Ms. Yeung Mo Sheung, Ann

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

Room 1108, 11/F,

Wing On Centre

111 Connaught Road Central

Central, Hong Kong

8 November 2024

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION –
PROPOSED ISSUE OF PERPETUAL CONVERTIBLE SECURITIES
UNDER SPECIFIC MANDATE
AND
NOTICE OF EGM**

INTRODUCTION

Reference is made to the Announcement, in relation to, among others, the Subscription Agreement and the transactions contemplated thereunder, including but not limited to, the grant of the Specific Mandate to allot and issue the Conversion Shares under the Convertible Securities.

LETTER FROM THE BOARD

The Independent Board Committee comprising all the independent non-executive Directors has been established to consider, and to advise the Independent Shareholders regarding the Subscription and the transactions contemplated thereunder, and as to whether the Subscription and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Messis Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide you, among other things, (i) further details of the Subscription Agreement and the transactions contemplated thereunder, including but not limited to, the grant of the Specific Mandate for the allotment and issue of the Conversion Shares; (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM.

BACKGROUND

First 2025 August CB

As at the Latest Practicable Date and immediately before the entering into of the Subscription Agreement, the outstanding principal amount of the First 2025 August CB was HK\$91,000,000 and was held by the Subscriber. The maturity date of the First 2025 August CB is 31 August 2025 with a conversion price of HK\$0.186 per conversion share.

Second 2025 August CB

As at the Latest Practicable Date and immediately before the entering into of the Subscription Agreement, the outstanding principal amount of the Second 2025 August CB was HK\$10,000,000 and was held by the Subscriber. The maturity date of the Second 2025 August CB is 31 August 2025 with a conversion price of HK\$0.108 per conversion share.

PROPOSED ISSUE OF PERPETUAL CONVERTIBLE SECURITIES UNDER SPECIFIC MANDATE

On 10 October 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agrees to issue and the Subscriber conditionally agrees to subscribe for the Convertible Securities in the principal amount of HK\$101,000,000 and pay the Subscription Price by setting off against the outstanding principal amounts of the First 2025 August CB and Second 2025 August CB held by the Subscriber at Completion.

As at the Latest Practicable Date, the outstanding principal amounts of the First 2025 August CB is HK\$91,000,000 and Second 2025 August CB is HK\$10,000,000 respectively.

LETTER FROM THE BOARD

THE SUBSCRIPTION AGREEMENT

The key terms of the Subscription Agreement are summarised as follows:

Date: 10 October 2024 (after trading hours)

Parties: (i) the Company, as the issuer; and
(ii) the Subscriber

As at the Latest Practicable Date, the Subscriber, being wholly and ultimately owned by Mr. Wong, the Chairman, an executive Director and the chief executive officer of the Company, is beneficially interested in 174,421,666 Shares, representing approximately 28.86% of the issued share capital of the Company, and is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

Please refer to the section headed “INFORMATION OF THE SUBSCRIBER” below for further information.

Subscription Price: HK\$101,000,000

The Subscription Price shall be set off against the aggregate outstanding principal amount of HK\$101,000,000 at Completion, comprising HK\$91,000,000 under the First 2025 August CB and HK\$10,000,000 under the Second 2025 August CB held by the Subscriber.

Conditions precedent of the Subscription Agreement

The Subscription is conditional upon:

- (i) the passing by the Independent Shareholders of relevant resolution(s) at the EGM in compliance with the requirements of the GEM Listing Rules approving:
 - (a) the Subscription Agreement and the transactions contemplated thereunder; and
 - (b) the issue of the Convertible Securities and the Specific Mandate for the allotment and issue of the Conversion Shares to holder(s) of the Convertible Securities in accordance with the terms and conditions of the Convertible Securities;
- (ii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;

LETTER FROM THE BOARD

- (iii) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;
- (iv) the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Securities;
- (v) none of the warranties given by the Company under the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- (vi) none of the warranties given by the Subscriber under the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

In the event that the conditions of the Subscription are not fulfilled on or before 31 December 2024 or such other date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall cease and terminate and neither the Company nor the Subscriber shall have any obligations and liabilities under the Subscription Agreement.

For condition (ii) above, except for the approval by the Independent Shareholders under condition (i) above, the listing approval for the Conversion Shares under condition (iv) above and the approval by the Board for the Subscription Agreement and the transactions contemplated thereunder, the Company is not aware of any other consents and approvals required to be obtained on the part of the Company. For condition (iii) above, as confirmed by the Subscriber, except for the approval by the sole director of the Subscriber for the Subscription Agreement and the transactions contemplated thereunder, the Subscriber is not aware of any other consents and approvals required to be obtained on the part of the Subscriber.

As at the Latest Practicable Date, save for condition (iii) above, none of the aforesaid conditions precedent have been fulfilled.

Completion

The Subscription Agreement shall complete within three (3) Business Days after the day on which the conditions set out above are fulfilled or, as the case may be, waived (or such later date as may be agreed between the Company and the Subscriber in writing). Upon Completion, the outstanding principal amount of the 2025 August CBs held by the Subscriber will be set-off against the Subscription Price in full, and the obligation and liability of the Company to the Subscriber under the 2025 August CBs will be extinguished.

LETTER FROM THE BOARD

Principal terms of the Convertible Securities

Principal terms of the Convertible Securities are arrived at after arm's length negotiations between the Company and the Subscriber and are summarised as follows:

Issuer	:	The Company
Form	:	The Convertible Securities will be allotted and issued in registered form
Principal amount	:	HK\$101,000,000
Issue price	:	100% of the principal amount of the Convertible Securities
Maturity date	:	there is no maturity date
Distribution	:	The Convertible Securities confers a right to receive distribution(s) (the " Distribution ") accruing from 1 September 2025 on the principal amount of the Convertible Securities outstanding, which subject as provided herein, will be payable by the Company annually in arrears with payment to be made on 31 August of each year (each a " Distribution Payment Date "). If a Distribution Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day. Distribution on the principal amount of the Convertible Securities shall be calculated on a 365-day year basis.
Rate of Distribution	:	3% per annum of any outstanding principal amount of Convertible Securities (the " Rate of Distribution "). Such distribution shall be calculated on the actual number of days elapsed and on the basis of a 365-day year.
Optional deferral of Distributions	:	The Company may, at its sole discretion, elect to defer in whole or in part of any Distribution (the " Deferred Distribution ") which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Subscriber not less than five (5) Business Days prior to the relevant Distribution Payment Date. The numbers of Distribution and deferral of Distributions are not subject to any limitation.

LETTER FROM THE BOARD

If there is any Deferred Distribution outstanding, the Company shall not:

- a) declare or pay any discretionary dividends or distributions or make any other payment, and will procure that no dividend, distribution or other payment is made, on any Shares of the Company; or
- b) at its discretion repurchase, redeem or otherwise acquire for any consideration any Shares prior to its stated maturity of the Company, unless and until the Company has satisfied in full all outstanding arrears of the Deferred Distribution.

Conversion price : HK\$0.10 per Conversion Share, subject to adjustments

Adjustment events : The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:

(a) Consolidation or sub-division of the Shares

If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and B is the nominal amount of one Share immediately before such alteration.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or subdivision becomes effective.

LETTER FROM THE BOARD

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue (other than in lieu of the whole or part of a cash dividend and other than issue that would amount to a capital distribution) 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), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) Capital distribution

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders right(s) to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

LETTER FROM THE BOARD

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by the independent auditors, of the portion of the capital distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash, the fair market value shall be the cash value and determination by the independent auditors is not required.

Provided that (aa) if in the opinion of the independent auditors, the use of the fair market value as aforesaid produces a result which is significantly inequitable, such independent auditors may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

LETTER FROM THE BOARD

(d) Issue of Shares for subscription by way of rights

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per Share; and

C = the aggregate number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

LETTER FROM THE BOARD

Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder(s) of the Convertible Securities (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the conversion rights under the Convertible Securities registered in their holders of the Convertible Securities out of the total principal amount of the Convertible Securities outstanding at the time of the proposed redemption.

(e) (aa) Issue of convertible or exchangeable securities

If and whenever the Company shall issue wholly for cash any securities convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 80% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

LETTER FROM THE BOARD

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

(bb) Modification of rights of convertible or exchangeable securities

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 80% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such modification;

LETTER FROM THE BOARD

B = the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of the Conversion Price provided that corresponding adjustment has already been made to the Conversion Price in respect of such an event.

For the purposes of this paragraph (e), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

LETTER FROM THE BOARD

(f) Issue of Shares being made wholly for cash at a price less than 80% of the market price per Share

If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 80% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

(g) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in this paragraph (g) below) which is less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A + B}{A + C}$$

LETTER FROM THE BOARD

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

For the purpose of this paragraph (g) “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

In the event that the above adjustment causes the adjusted Conversion Price to be lower than HK\$0.10 (being the par value of the Share), the Company will conduct share capital reorganisation to accommodate such downward adjustment.

- Conversion shares : 1,010,000,000 Conversion Shares will be allotted and issued by the Company upon full conversion of the Convertible Securities at the initial Conversion Price.
- Conversion period : Conversion of the Convertible Securities into Conversion Shares may take place at any time after the date of issuance of the Convertible Securities, subject to the relevant terms as provided in the terms of the Convertible Securities.

LETTER FROM THE BOARD

Restrictions on Conversion : The holder(s) of the Convertible Securities 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 Securities 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\$100,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Securities is less than HK\$100,000, the whole (but not part only) of the outstanding principal amount of the Convertible Securities may be converted; and (ii) the exercise of the conversion right attached to the Convertible Securities will not cause the Company to be unable to meet the public float requirement under the GEM Listing Rules.

In the event the holder(s) of the Convertible Securities convert the Convertible Securities to the extent that immediately after such conversion the holder(s) of the Convertible Securities together with parties acting in concert with it will, in aggregate, control or be interested in 30% or such percentage of the voting rights of the Company which the holder(s) of the Convertible Securities would be obliged to make a general offer under the Takeovers Code, the holder(s) of the Convertible Securities together with parties acting in concert with it shall comply with the requirement of the Takeovers Code in accordance to the Takeovers Code.

No fixed Redemption Date : The Convertible Securities are perpetual securities in respect of which there is no fixed redemption date.

LETTER FROM THE BOARD

- Optional Redemption at the option of the Company : The Company shall be entitled at its sole discretion, by giving not less than seven (7) days' notice to the holder(s) of the Convertible Securities, propose to the holder(s) to redeem the outstanding Convertible Securities (in multiples of HK\$100,000 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 Securities at any time after the date of issue of the Convertible Securities. The Company shall pay to the holder(s) of the Convertible Securities all Distribution and Deferred Distribution accrued on such amount of the outstanding Convertible Securities to be redeemed at the time of redemption.
- Redemption at the occurrence of an event of default : holder(s) of the Convertible Securities shall be entitled at his sole discretion, by giving notice to the Company requiring the Company to redeem the outstanding Convertible Securities held by such holder(s) of the Convertible Securities and pay to holder(s) of the Convertible Securities all Distribution and Deferred Distribution accrued on the outstanding Convertible Securities forthwith upon the occurrence of any of the following event of default:
- (a) any breach by the Company of the terms and conditions of the Convertible Securities, and such breach continues to exist fourteen (14) Business Days after the holder(s) of the Convertible Securities having issued a notice to the Company to request for remedial measures;
 - (b) any court order having been made demanding the Company to cease operations or dissolve;
 - (c) all or substantially all of the assets or businesses of the Group having been taken over by the receiver;
 - (d) any enforcement or seizure measures having been taken, enforced, or applied to be taken against substantially all of the property of the Group, and such measures have not been released within ten (10) days;

LETTER FROM THE BOARD

- (e) any litigations having been commenced against the Company pursuant to any applicable bankruptcy, restructuring or insolvency laws, and such litigation proceedings have not been withdrawn or terminated within forty-five (45) days after their commencement; and
- (f) the Shares having been suspended from trading on GEM of the Stock Exchange for more than five (5) trading days (save for suspensions pending release of inside information or clearance of announcement(s) by the regulatory authority(ies)), or the listing status of the Shares having been withdrawn.

For the avoidance of doubt, except as provided above, holder(s) of the Convertible Securities shall have no right to request the Company to redeem the Convertible Securities.

- Voting rights : The holder(s) of Convertible Securities will not be entitled to receive notice of, attend or vote at general meetings of the Company by reason only of it being a Convertible Securities holder.
- Transferability : Subject to compliance with the GEM Listing Rules, the Convertible Securities may be transferred or assigned in whole or in part in integral multiples of HK\$100,000 by the holder(s) of the Convertible Securities to any party, save and except that the Convertible Securities shall not be transferred to a connected person of the Company unless with the prior written consent of the Company.
- 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.

LETTER FROM THE BOARD

- Listing : No application will be made by the Company for the listing of the Convertible Securities on the Stock Exchange. Application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares.
- Security : The obligations of the Company under the Convertible Securities are unsecured.

Based on the Conversion Price of HK\$0.10 per Conversion Share, a maximum number of 1,010,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Securities in full, which represent: (i) approximately 167.11% of the issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 167.11% of the issued share capital of the Company as at the date of the Announcement; and (iii) approximately 62.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Securities in full.

The maximum aggregate nominal value of the Conversion Shares is HK\$101,000,000.

Conversion Price

The Conversion Price of HK\$0.10 per Conversion Share represents:

- (i) a premium of approximately 40.85% over the closing price of HK\$0.071 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of 25.00% over the closing price of HK\$0.08 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (iii) a premium of approximately 17.65% over the average closing prices of HK\$0.085 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.099 per Conversion Share.

LETTER FROM THE BOARD

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account of, (i) the recent 3-month market price of the Shares under the prevailing market conditions i.e. taking into account of the market price range of the Share in between HK\$0.137 and HK\$0.08 during the 3-month period ending on the date of the Subscription Agreement; (ii) the latest business performance and financial condition of the Company i.e. the improvement in revenue from approximately HK\$5.03 million for the six months ended 30 June 2023 to approximately HK\$8.11 million for the six months ended 30 June 2024, and the total assets value of the Group of approximately HK\$54.70 million as at 30 June 2024; (iii) the underlying terms of the Convertible Securities; and (iv) reasons and benefits of the Subscription as discussed in the section headed "REASONS FOR AND BENEFITS OF THE PROPOSED ISSUE OF THE CONVERTIBLE SECURITIES AND USE OF PROCEEDS" in the circular. The Directors (including the members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee contained in this circular) consider that the Conversion Price and the terms and conditions of the Subscription Agreement and the Convertible Securities are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Specific Mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought for approval from the Shareholders at the EGM.

Application for listing

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for listing of, or permission to deal in, the Convertible Securities on the Stock Exchange or any other stock exchange.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full conversion of the Convertible Securities at the Conversion Price of HK\$0.10 (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the full conversion of the Convertible Securities) are as follows:

	(i) As at the Latest Practicable Date		(ii) Immediately upon full conversion of the Convertible Securities at the initial Conversion Price of HK\$0.10	
	No. of Shares	Approx %	No. of Shares	Approx %
The Subscriber ^(Note 1)	174,421,666	28.86	1,184,421,666	73.37
Mr. Ann, Yu Chiu Andy ^(Note 2)	19,999,999	3.31	19,999,999	1.24
Other public Shareholders	<u>409,973,947</u>	<u>67.83</u>	<u>409,973,947</u>	<u>25.39</u>
Total	<u>604,395,612</u>	<u>100.00</u>	<u>1,614,395,612</u>	<u>100.00</u>

LETTER FROM THE BOARD

Notes:

1. The Subscriber, being Team Sunny, is owned as to 100% by Mr. Wong, who is deemed to be interested in 174,421,666 Shares pursuant to Part XV of the SFO.
2. Mr. Ann, Yu Chiu Andy is the director of NOIZChain Limited (a wholly-owned subsidiary of the Company) and is personally interested in 19,999,999 Shares.

FUND RAISING DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercises in the past twelve months immediately preceding the Latest Practicable Date.

INFORMATION OF THE GROUP

The Company is an investment holding company. As at the Latest Practicable Date, the Group is principally engaged in (i) financial services business including provision of corporate finance advisory services, asset management and advising on securities business and money lending services; (ii) corporate consulting business including company secretarial services, accounting and financial reporting services and management consulting services; and (iii) digital business that leverages blockchain, artificial intelligence, and immersive interaction technologies to create value and protection to individuals, creators, artists, businesses and brand owners, and offer various opportunities within the entertainment sector, including the organisation/production of and investment in concerts, events and festivals.

INFORMATION OF THE SUBSCRIBER

The Subscriber, being wholly and ultimately owned by Mr. Wong, the Chairman, an executive Director and the chief executive officer of the Company, is beneficially interested in 174,421,666 Shares, representing approximately 28.86% of the issued share capital of the Company and is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

REASONS FOR AND BENEFITS OF THE PROPOSED ISSUE OF THE CONVERTIBLE SECURITIES AND USE OF PROCEEDS

The Group has been loss making for the recent financial years and as noted from the annual report of the Company for the financial year ended 31 December 2023 (“AR 2023”), the Group recorded a loss of approximately HK\$25.67 million and HK\$27.82 million for the financial years ended 31 December 2023 and 2022 respectively. As noted from the AR 2023, the recent loss of approximately HK\$25.67 million is mainly attributed to a non-cash item of approximately HK\$12.31 million in relation to an imputed interest on the 2025 August CBs. As further set out in the interim report of the Company for the six months ended 30 June 2024, the Group had a net liabilities position of approximately HK\$50.13 million as at 30 June 2024 and it is primarily attributed to the carrying amount of the 2025 August CBs of approximately HK\$84.24 million. Given the Group’s existing financial position and the fact that the First 2025 August CB and Second 2025 August CB with an outstanding principal amount of HK\$91,000,000 and HK\$10,000,000 would both be matured in August 2025, it is not expected that the Company would be able to redeem all the 2025 August CBs when they fall due.

LETTER FROM THE BOARD

The Board is of the view that, since the outstanding principal amount of the 2025 August CBs held by the Subscriber will be principally settled through the issuance of the Convertible Securities on the date of Completion, and the Convertible Securities is considered to be equity of the Company according to accounting standards, the Subscription (i) would not create any immediate cash outflow in the settlement of the 2025 August CBs; and (ii) would turnaround of the existing net liabilities position of the Company to a net asset position and reduce of the amount of noncash item, and thus improve the financial position and performance of the Company. In addition, pursuant to the terms and conditions of the Convertible Securities, the Convertible Securities have no maturity date and the Company may redeem part or all of the Convertible Securities at its own discretion which provides high flexibility to the Company in its future cash management.

The Company has considered other alternatives such as placing of new Shares, rights issue or open offer. However, placing of new Shares will cast immediately dilution effect to the existing shareholders of the Company, while rights issue or open offer may cast dilution effect to shareholders of the Company who do not want to participate. Moreover, given the market capitalisation of the Company of HK\$48.35 million (based on the closing price of HK\$0.08 as at the date of the Subscription Agreement, in order to fully repay the settle the First 2025 August CB and Second 2025 August CB with an aggregate outstanding principal amount of HK\$101,000,000 when they fall due, any equity financing alternatives would have been highly dilutive by increasing both the number of issued Shares and the market capitalisation of the Company by more than 100% even the issue price is set at no discount to the latest closing price of the Share.

Hence, the Directors (including the members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee contained in this circular) consider that the terms and conditions of the Subscription Agreement and the Convertible Securities are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

POSSIBLE FINANCIAL EFFECTS OF THE SUBSCRIPTION

Earnings

According to the AR 2023, the Group recorded net loss of approximately HK\$25.67 million for the financial year ended 31 December 2023 (“FY 2023”), which is partly contributed to the imputed interests on the 2025 August CBs of approximately HK\$12.31 million for FY 2023, representing an imputed interest rate of approximately 16.83% based on the carrying amount of convertible bonds of the Company of approximately HK\$77.93 million as at 31 December 2023. In contrast, the Convertible Securities bear an annual distribution of 3.00% per annum (to be recognised as interest expenses in the financial statements of the Company), which would only amount to approximately HK\$3.03 million based on the principal amount of the Convertible Securities of HK\$101.00 million. The vast reduction in interest expenses is expected to contribute to improving the loss-making condition of the Group.

LETTER FROM THE BOARD

Net assets

The outstanding principal amount of the 2025 August CBs held by the Subscriber will be principally settled through the issuance of the Convertible Securities on the date of Completion. As the Convertible Securities is considered to be equity of the Company, the Subscription would result in a turnaround of the existing net liabilities position of the Company to a net asset position and thus improve the financial position of the Company.

Gearing and cashflow

The Group's gearing ratio as at 30 June 2024 was approximately 1.5 (as at 31 December 2023: approximately 1.4), being a ratio of total interest-bearing debts, including convertible bonds, of approximately HK\$84.2 million (as at 31 December 2023: approximately HK\$77.9 million) to the total assets of approximately HK\$54.7 million (as at 31 December 2023: approximately HK\$56.7 million). Upon the Completion, it is expected that the gearing ratio of the Company would improve.

It should be noted that the above analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Subscription.

GEM LISTING RULES IMPLICATIONS

The Subscriber, being wholly and ultimately owned by Mr. Wong, the Chairman, an executive Director and the chief executive officer of the Company, is beneficially interested in 174,421,666 Shares, representing approximately 28.86% of the issued share capital of the Company, and is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitutes a connected transaction on the part of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. In addition, the Convertible Securities and the Conversion Shares will be issued under the Specific Mandate, which is subject to Independent Shareholders' approval at the EGM.

The EGM will be convened and held for the purposes of considering of, and if thought fit, approving, among other things, the Subscription, and the Specific Mandate to allot and issue the Conversion Shares.

Mr. Wong has abstained from voting on the resolutions in relation to the Subscription Agreement proposed to the Board. Save as disclosed above, none of the Directors attended the Board meeting has a material interest in the Subscription.

LETTER FROM THE BOARD

EGM

The EGM will be held at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Monday, 25 November 2024 at 11:00 a.m. for the Independent Shareholders to consider and if thought fit, to approve the Subscription and the transactions contemplated thereunder, including but not limited to, the grant of the Specific Mandate for the allotment and issue of the Conversion Shares, by way of poll.

The notice convening the EGM 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 requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis 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 before the time appointed for holding of the EGM (i.e. 11:00 a.m. on Saturday, 23 November 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

The Subscriber, being interested in the transactions contemplated under the Subscription Agreement, shall abstain from voting for the resolution to approve the Subscription and the transactions contemplated thereunder at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Subscription Agreement and shall be required to abstain from voting at the EGM in respect of the resolutions to approve the Subscription Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, the Subscriber is interested in 174,421,666 Shares, representing approximately 28.86% of the issued share capital of the Company and the Subscriber is entitled to all underlying voting rights of such Shares.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 November 2024 to Monday, 25 November 2024 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the right to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, at 4:30 p.m. on Tuesday, 19 November 2024.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 29 to 30 of this circular which contains its recommendation to the Independent Shareholders in relation to the Subscription and the transactions contemplated thereunder, and the letter from the Independent Financial Adviser set out on pages 31 to 62 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in this regard.

The Directors (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in this circular) consider that the terms of the Subscription Agreement and the transactions contemplated respectively thereunder, including but not limited to, the grant of the Specific Mandate for the allotment and issue of the Conversion Shares, and as to whether the Subscription Agreement is on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the proposed resolutions in relation to the Subscription Agreement and transactions contemplated thereunder at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I to this circular.

Yours faithfully,
By order of the Board
NOIZ Group Limited
Wong Hin Shek
Chairman and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders prepared for the purpose of inclusion in this circular.



NOIZ GROUP LIMITED

聲揚集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

8 November 2024

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION –
PROPOSED ISSUE OF PERPETUAL CONVERTIBLE SECURITIES
UNDER SPECIFIC MANDATE**

We refer to the circular of the Company dated 8 November 2024 (the “**Circular**”) of which this letter forms part. 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 of the Independent Board Committee to advise the Independent Shareholders as to whether the Subscription and the transactions contemplated thereunder, including but not limited to, the grant of the Specific Mandate for allotment and issue of the Conversion Shares and as to whether the Subscription Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders how to vote at the EGM.

Messis Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice together with the principal factors and reasons it has taken into consideration on giving its advice, are contained in its letter set out on pages 31 to 62 of the Circular. Your attention is also drawn to the Letter from the Board and the additional information set out in the Appendix I to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the principal factors and reasons considered by, and the advice of Messis Capital Limited, we considered that although the entering into of the Subscription Agreement is not in the ordinary and usual course of business of the Group, the Subscription and the transactions contemplated thereunder, including but not limited to, the grant of the Specific Mandate for the allotment and issue of the Conversion Shares, are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the 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 Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

the Independent Board Committee

Ms. Yeung Mo Sheung, Ann

Ms. Ng Ka Sim, Casina

Mr. Wong Wing Kit

Independent Non-executive Directors

LETTER FROM MESSIS CAPITAL

The following is the full text of the letter from Messis Capital Limited which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this Circular.

MESSIS 大有融資

8 November 2024

*To: The Independent Board Committee and the Independent Shareholders
of NOIZ Group Limited*

Dear Sir/Madam,

CONNECTED TRANSACTION PROPOSED ISSUE OF PERPETUAL CONVERTIBLE SECURITIES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee with regards to the Subscription Agreement and the transactions contemplated thereunder, including but not limited to, the grant of the Specific Mandate to allot and issue the Conversion Shares under the Convertible Securities. Details of the Subscription are contained in the “Letter from the Board” of the circular to the Shareholders dated 8 November 2024 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms defined in the Circular shall have the same meanings in this letter.

On 10 October 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agrees to issue and the Subscriber conditionally agrees to subscribe for the Convertible Securities in the principal amount of HK\$101,000,000 and pay the Subscription Price by setting off against the outstanding principal amounts of the First 2025 August CB and Second 2025 August CB held by the Subscriber at Completion. As at the Latest Practicable Date, the outstanding principal amounts of the First 2025 August CB is HK\$91,000,000 and Second 2025 August CB is HK\$10,000,000 respectively.

The Subscriber, being wholly and ultimately owned by Mr. Wong, the Chairman, an executive Director and the chief executive officer of the Company, is beneficially interested in 174,421,666 Shares, representing approximately 28.86% of the issued share capital of the Company, and is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitutes a connected transaction on the part of the Company and is subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules. In addition, the Convertible Securities and the Conversion Shares will be issued under the Specific Mandate which is subject to Independent Shareholders’ approval at the EGM.

LETTER FROM MESSIS CAPITAL

The EGM will be convened and held for the purposes of considering of, and if thought fit, approving, among other things, the Subscription, and the Specific Mandate to allot and issue the Conversion Shares.

Mr. Wong has abstained from voting on the resolutions in relation to the Subscription Agreement proposed to the Board. Save as disclosed above, none of the Directors attended the Board meeting has a material interest in the Subscription.

An Independent Board Committee comprising all the independent non-executive Directors, Ms. Ng Ka Sim, Casina, Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann, has been formed to advise the Independent Shareholders in relation to the Subscription, whether the Subscription and the transactions contemplated thereunder, including but not limited to, the grant of the Specific Mandate for allotment and issue of the Conversion Shares and as to whether the Subscription Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders how to vote at the EGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Group under Rule 17.96 of the GEM Listing Rules, and accordingly, qualified to give independent advice regarding the Subscription. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and advice, we have relied on the statements, information, opinions and representations contained or referred to in this Circular and the representations made to us by the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its adviser and/or the Directors, which have been provided to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable and there are no reasons to doubt the accuracy and reliability of such public information.

LETTER FROM MESSIS CAPITAL

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

We consider that we have reviewed all currently available information and documents and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent investigation into the business, affairs, borrowing and financial position or prospects of the Company or the Group.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Subscription, and except for its inclusion in this Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Subscription, we have considered the following principal factors and reasons as set out below.

1. Background information to and reasons for the Subscription Agreement

Information on the Group

The Group is principally engaged in (i) financial services business including provision of corporate finance advisory services, asset management and advising on securities business and money lending services; (ii) corporate consulting business including company secretarial services, accounting and financial reporting services and management consulting services; and (iii) digital business that leverages blockchain, artificial intelligence, and immersive interaction technologies to create value and protection to individuals, creators, artists, businesses and brand owners, and offer various opportunities within the entertainment sector, including the organisation/production of and investment in concerts, events and festivals.

Financial Information of the Group

The table below summarises the audited financial results of the Group for each of the year ended 31 December 2022 (“**FY 2022**”) and 31 December 2023 (“**FY 2023**”) as extracted from the annual report of the Company for the year ended 31 December 2023 (“**AR 2023**”), and the unaudited financial results of the Group for each of the six months ended 30 June 2023 (“**H1 2023**”) and 30 June 2024 (“**H1 2024**”) as extracted from the interim report of the Company for the six months ended 30 June 2024 (“**IR 2024**”).

LETTER FROM MESSIS CAPITAL

Consolidated statement of profit or loss and other comprehensive income of the Group

	H1 2024 <i>(unaudited)</i> HK\$'000	H1 2023 <i>(unaudited)</i> HK\$'000	FY 2023 <i>(audited)</i> HK\$'000	FY 2022 <i>(audited)</i> HK\$'000
Revenue	8,105	5,031	18,938	18,151
Loss for the year/period	(15,324)	(13,730)	(25,673)	(27,820)
			As at 31	As at 31
			December	December
			2023	2022
			<i>(audited)</i>	<i>(audited)</i>
			HK\$'000	HK\$'000
Non-current assets		24,712	27,961	36,343
Current assets		29,985	28,752	42,754
Total assets		54,697	56,713	79,097
Non-current liabilities		84,617	78,321	75,601
Current liabilities		20,208	13,196	32,431
Total liabilities		104,825	91,517	108,032
Net current assets		9,777	15,556	10,323
Total deficiency		(50,128)	(34,804)	(28,935)

FY 2023 vs FY 2022

The Group recorded revenue of approximately HK\$18.94 million for FY 2023, representing an increase of approximately 4.34% from revenue of approximately HK\$18.15 million for FY 2022. Loss for the year for FY 2023 was approximately HK\$25.67 million (FY 2022: approximately HK\$27.82 million). The decrease in net loss of approximately HK\$2.14 million was mainly attributable to the decrease in operating and administrative expenses of approximately HK\$2.15 million (down from approximately HK\$34.42 million for FY 2022 to approximately HK\$32.26 million for FY 2023).

The Group's revenue from the financial services business was approximately HK\$11.44 million for FY 2023 (FY 2022: approximately HK\$11.91 million), with a segment profit of approximately HK\$3.31 million (FY 2022: approximately HK\$2.32 million). The increase in segment profit was mainly driven by the robust performance of the corporate financial advisory services, which generated revenue of approximately HK\$8.4 million (FY 2022: approximately HK\$5.2 million).

The Group's revenue from the corporate consulting business remained stable at HK\$4.03 million for FY 2023 (FY 2022: approximately HK\$4.68 million), with a segment profit of approximately HK\$2.27 million for FY 2023 (FY 2022: approximately HK\$1.91 million).

LETTER FROM MESSIS CAPITAL

The Group's revenue from the digital business increased significantly by approximately HK\$1.91 million to approximately HK\$3.48 million for FY 2023, up from approximately HK\$1.57 million for FY 2022. Segment loss for digital business was approximately HK\$3.48 million for FY 2023 (FY 2022: approximately HK\$2.52 million). The segment loss was mainly due to higher costs incurred from several projects during the year.

As at 31 December 2023, the Group's cash and bank balances (including trust accounts) was approximately HK\$14.20 million (as at 31 December 2022: approximately HK\$34.81 million) while net current assets was approximately HK\$15.56 million (as at 31 December 2022: approximately HK\$10.32 million).

The Group's gearing ratio as at 31 December 2023 was approximately 1.37 (as at 31 December 2022: approximately 1.08), being a ratio of total interest-bearing debts, including convertible bonds, of approximately HK\$77.93 million (as at 31 December 2022: approximately HK\$85.11 million) to the total assets of approximately HK\$56.71 million (as at 31 December 2022: approximately HK\$79.10 million).

H1 2024 vs H1 2023

The Group recorded revenue of approximately HK\$8.11 million for H1 2024, representing an increase of approximately 61.10% from revenue of approximately HK\$5.03 million for H1 2023. Loss for the period was approximately HK\$15.32 million for H1 2024 (for H1 2023: approximately HK\$13.73 million). The increase in net loss of approximately HK\$1.59 million was mainly attributable to the net effect of (i) increase of revenue for H1 2024 as discussed above; and (ii) recognition of cost of sales of approximately HK\$4.46 million for H1 2024 (for H1 2023: nil), which was attributable to the projects under digital business segment.

The Group's revenue from the financial services business remained strong at approximately HK\$3.79 million for H1 2024 (for H1 2023: approximately HK\$2.34 million) with a segment profit of approximately HK\$1.38 million (for H1 2023: approximately HK\$0.41 million), which was in turn driven by the increase in the segment revenue.

The Group's revenue from the corporate consulting business was approximately HK\$3.44 million for H1 2024 (for H1 2023: approximately HK\$2.28 million), with a segment profit of approximately HK\$2.87 million (for H1 2023: approximately HK\$1.51 million), which was in turn driven by the increase in the segment revenue.

The Group's revenue from the digital business increased by approximately HK\$0.47 million to approximately HK\$0.88 million for H1 2024, up from approximately HK\$0.41 million for H1 2023. Segment loss for digital business was approximately HK\$6.22 million for H1 2024 (for H1 2023: approximately HK\$2.33 million). The notable increase in segment loss was mainly due to higher costs incurred from several projects during the period.

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As at 30 June 2024, the Group's cash and bank balances (including trust accounts) were approximately HK\$6.39 million (as at 31 December 2023: approximately HK\$14.20 million) while net current assets were approximately HK\$9.78 million (as at 31 December 2023: approximately HK\$15.56 million).

The Group's gearing ratio as at 30 June 2024 was approximately 1.54 (as at 31 December 2023: approximately 1.37), being a ratio of total interest-bearing debts, including convertible bonds, of approximately HK\$84.24 million (as at 31 December 2023: approximately HK\$77.93 million) to the total assets of approximately HK\$54.70 million (as at 31 December 2023: approximately HK\$56.71 million).

2. Reasons for and benefits of the Subscription

As stated in the Letter from the Board, the Group has been loss making for the recent financial years and as noted from the AR 2023, the Group recorded a net loss of approximately HK\$25.67 million and HK\$27.82 million for the years ended 31 December 2023 and 2022, respectively. As noted from the AR 2023, the loss for the year is mainly attributed to a non-cash item of approximately HK\$12.31 million in relation to an imputed interest on the 2025 August CBs. As further set out in the IR 2024, the Group had a net liabilities position of approximately HK\$50.13 million as at 30 June 2024 and it is primarily attributed to the carrying amount of the 2025 August CBs of approximately HK\$84.24 million. Based on our discussion with the management of the Company, given the Group's existing financial position and the fact that the First 2025 August CB and Second 2025 August CB with an outstanding principal amount of HK\$91,000,000 and HK\$10,000,000 would both be matured in August 2025, it is not expected that the Company would be able to redeem all the 2025 August CBs when they fall with its internal resources without further obtaining equity/debt financing.

As understood from the Management, the Company has difficulty in securing third party financing with favorable terms to the Company to settle the First 2025 August CB and Second 2025 August CB with an aggregate outstanding principal amount of HK\$101,000,000 before maturity. For debt financing, the Company did not receive feedbacks from banks on its enquiry on debt financing proposal for the Company, which could be due to (i) the fact that the Group was loss-making continuously for FY 2022, FY 2023 and H1 2024; (ii) the net liability position of the Group as at 30 June 2024; and (iii) the high and increasing gearing ratio of the Group of 1.5 as at 30 June 2024.

For equity financing, the Company has considered other alternatives such as placing of new Shares, rights issue or open offer. However, placing of new Shares will cast immediately dilution effect to the existing shareholders of the Company, while rights issue or open offer may cast dilution effect to shareholders of the Company who do not want to participate. Moreover, given the market capitalisation of the Company of HK\$48.35 million (based on the closing price of HK\$0.08 as at the date of the Subscription Agreement, in order to fully repay the settle the First 2025 August CB and Second 2025 August CB with an aggregate outstanding principal amount of HK\$101,000,000 when they fall due, any equity financing alternatives would have been highly dilutive by increasing both the number of issued Shares and the market capitalisation of the Company by more than 100% even that the issue price is to be set at no discount to the latest closing price of the Share.

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We note that the Hang Seng Index fluctuated between a peak of 23,099.78 on 7 October 2024 and a bottom of 14,961.18 on 22 January 2024 during the period from 11 October 2023 to 10 October 2024, being the 12-month period prior to and including the date of the Subscription Agreement (the “**Review Period**”), representing a significant fluctuation of over 54%. The Hang Seng Index in September 2024 underwent a turbulence which saw a rise of as much as 6.19% (or by 1,310.05) on 2 October 2024 and plunge of as much as 9.40% shortly after on 8 October 2024. The recent turbulence in Hang Seng Index was attributable to the mixed effects of, among other things, the negative market sentiment over the economic downturn in the PRC and Hong Kong, the attempts by the PRC government to stabilise the economy and local stock markets, the overall grim outlook of the global economy. Therefore, we are of the view the prevailing market condition also contributes to the Company’s difficulty in obtaining debt/equity financing with favourable terms in the current market. Overall, we concur with the view of the Directors on the difficulty of the Company in securing debt financing and the significant downsides of other equity financing alternatives.

Considering the current unstable market condition and should the condition persist until the 2025 August CBs fall due, we are given to understand that the Subscriber has no intention to exercise the conversion rights attached to the 2025 August CBs, given that the current conversion price of the First 2025 August CB of HK\$0.186 and Second 2025 August CB of HK\$0.108 are significantly higher than the prevailing market price per Share. Given the difficulty of the Company in securing debt financing and the significant downsides of other equity financing alternatives as discussed above, the Company needs to secure a refinancing option before the 2025 August CBs fall due in 31 August 2025.

As understood from the Company, since the outstanding principal amount of the 2025 August CBs held by the Subscriber will be principally settled through the issuance of the Convertible Securities on the date of Completion, and the Convertible Securities is considered to be equity of the Company according to accounting standards, the Subscription (i) would not create any immediate cash outflow in the settlement of the 2025 August CBs; (ii) would result in a turnaround of the existing net liabilities position of the Company to a net asset position and reduce of the amount of noncash item, and (iii) the reduction in interest expenses (an interest rate of 3.00% per annum as stipulated under the Convertible Securities against an imputed interest rate of approximately 16.83% attributable to the 2025 August CBs as at 31 December 2023), and thus improve the financial position and performance of the Company. In addition, pursuant to the terms and conditions of the Convertible Securities, the Convertible Securities have no maturity date and the Company may redeem part or all of the Convertible Securities at its own discretion which provides high flexibility to the Company in its future cash management. Given the above benefits of refinancing the 2025 August CBs with the Convertible Securities, the Company has decided to negotiate with the Subscriber on the Subscription, with the 2025 August CBs falling due in less than one year.

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Having considered (i) the Group's recent financial performance and financial position; (ii) the difficulty of the Group in obtaining debt financing at favourable terms to the Company to refinance the 2025 August CBs when they fall due; (iii) the significant downsides of other equity financing alternatives to raise fund for settlement of the 2025 August CBs; (iv) the Subscriber has no intention to exercise the conversion rights attached to the 2025 August CBs, in light of the current unstable market condition and should the condition persist until the 2025 August CBs fall due; (v) the prevailing market prices and trading volume of the shares as discussed in the sections headed "3. The Subscription" below alongside the recent market sentiment; (vi) the negotiation made between the Company and Subscriber; and (vii) the flexibility to the Company in its future cash management, we concur with the Director's view that, on the basis that the Convertible Securities are considered as equity of the Company, the entering into of the Subscription Agreement would be an appropriate mean of improving the financial position of the Group by offering a turnaround of the existing net liabilities position to a net asset position, reducing of the amount of noncash item, while not creating any immediate cash outflow in the settlement of the 2025 August CBs, and that the Subscription is fair and reasonable based on the current market conditions, and is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

3. The Subscription

(i) Information on the Subscriber

As stated in the Letter from the Board, the Subscriber, being wholly and ultimately owned by Mr. Wong, the Chairman, an executive Director and the chief executive officer of the Company, is beneficially interested in 174,421,666 Shares, representing approximately 28.86% of the issued share capital of the Company and is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

As at the Latest Practicable Date, the Subscriber is the holder of the First 2025 August CB and Second 2025 August CB.

(ii) Principal terms of the Share Subscription Agreement

As set out in the Letter from the Board, the key terms of the Subscription Agreement are summarised as follows:

Date	10 October 2024
Form	The Convertible Securities will be allotted and issued in registered form
Principal amount	HK\$101,000,000
Issue price	100% of the principal amount of the Convertible Securities
Maturity date	there is no maturity date

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Distribution

The Convertible Securities confers a right to receive distribution(s) (the “**Distribution**”) accruing from 1 September 2025 on the principal amount of the Convertible Securities outstanding, which subject as provided herein, will be payable by the Company annually in arrears with payment to be made on 31 August of each year (each a “**Distribution Payment Date**”). If a Distribution Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day. Distribution on the principal amount of the Convertible Securities shall be calculated on a 365-day year basis.

Rate of Distribution

3% per annum of any outstanding principal amount of Convertible Securities (the “**Rate of Distribution**”).

Such distribution shall be calculated on the actual number of days elapsed and on the basis of a 365-day year.

Optional deferral of Distributions

The Company may, at its sole discretion, elect to defer in whole or in part of any Distribution (the “**Deferred Distribution**”) which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Subscriber not less than five (5) Business Days prior to the relevant Distribution Payment Date. The numbers of Distribution and deferral of Distributions are not subject to any limitation.

If there is any Deferred Distribution outstanding, the Company shall not:

- a) declare or pay any discretionary dividends or distributions or make any other payment, and will procure that no dividend, distribution or other payment is made, on any Shares of the Company; or

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- b) at its discretion repurchase, redeem or otherwise acquire for any consideration any Shares prior to its stated maturity of the Company, unless and until the Company has satisfied in full all outstanding arrears of the Deferred Distribution.

Conversion price

HK\$0.10 per Conversion Share, subject to adjustments

Adjustment events

The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:

(a) Consolidation or sub-division of the Shares

If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and B is the nominal amount of one Share immediately before such alteration.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or subdivision becomes effective.

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue (other than in lieu of the whole or part of a cash dividend and other than issue that would amount to a capital distribution) 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), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) *Capital distribution*

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders right(s) to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by the independent auditors, of the portion of the capital distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the independent auditors is not required.

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Provided that (aa) if in the opinion of an independent auditors, the use of the fair market value as aforesaid produces a result which is significantly inequitable, such independent auditors may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

(d) Issue of Shares for subscription by way of rights

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

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B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per Share; and

C = the aggregate number of Shares offered for subscription or comprised in the options or warrants. Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder(s) of the Convertible Securities (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the conversion rights under the Convertible Securities registered in their holders of the Convertible Securities out of the total principal amount of the Convertible Securities outstanding at the time of the proposed redemption.

(e) (aa) Issue of convertible or exchangeable securities

If and whenever the Company shall issue wholly for cash any securities convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 80% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

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Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

(bb) Modification of rights of convertible or exchangeable securities

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 80% of the market price of the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

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where:

A = the number of Shares in issue immediately before the date of such modification;

B = the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of the Conversion Price provided that corresponding adjustment has already been made to the Conversion Price in respect of such an event.

For the purposes of this paragraph (e), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

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(f) Issue of Shares being made wholly for cash at a price less than 80% of the market price per Share

If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 80% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

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(g) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in this paragraph (g) below) which is less than 80% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

For the purpose of this paragraph (g) “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

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In the event that the above adjustment causes the adjusted Conversion Price to be lower than HK\$0.10 (being the par value of the Share), the Company will conduct share capital reorganisation to accommodate such downward adjustment.

Conversion shares

1,010,000,000 Conversion Shares will be allotted and issued by the Company upon full conversion of the Convertible Securities at the initial Conversion Price.

Conversion period

Conversion of the Convertible Securities into Conversion Shares may take place at any time after the date of issuance of the Convertible Securities, subject to the relevant terms as provided in the terms of the Convertible Securities.

Restrictions on Conversion

The holder(s) of the Convertible Securities 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 Securities 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\$100,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Securities is less than HK\$100,000, the whole (but not part only) of the outstanding principal amount of the Convertible Securities may be converted; and (ii) the exercise of the conversion right attached to the Convertible Securities will not cause the Company to be unable to meet the public float requirement under the GEM Listing Rules.

In the event the holder(s) of the Convertible Securities convert the Convertible Securities to the extent that immediately after such conversion the holder(s) of the Convertible Securities together with parties acting in concert with it will, in aggregate, control or be interested in 30% or such percentage of the voting rights of the Company which the holder(s) of the Convertible Securities would be obliged to make a general offer under the Takeovers Code, the holder(s) of the Convertible Securities together with parties acting in concert with it shall comply with the requirement of the Takeovers Code in accordance to the Takeovers Code.

No fixed Redemption Date

The Convertible Securities are perpetual securities in respect of which there is no fixed redemption date.

Optional Redemption at the option of the Company

The Company shall be entitled at its sole discretion, by giving not less than seven (7) days' notice to the holder(s) of the Convertible Securities, propose to the holder(s) to redeem the outstanding Convertible Securities (in multiples of HK\$100,000 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 Securities at any time after the date of issue of the Convertible Securities. The Company shall pay to the holder(s) of the Convertible Securities all Distribution and Deferred Distribution accrued on such amount of the outstanding Convertible Securities to be redeemed at the time of redemption.

Redemption at the occurrence of an event of default

holder(s) of the Convertible Securities shall be entitled at his sole discretion, by giving notice to the Company requiring the Company to redeem the outstanding Convertible Securities held by such holder(s) of the Convertible Securities and pay to holder(s) of the Convertible Securities all Distribution and Deferred Distribution accrued on the outstanding Convertible Securities forthwith upon the occurrence of any of the following event of default:

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- (a) any breach by the Company of the terms and conditions of the Convertible Securities, and such breach continues to exist fourteen (14) Business Days after the holder(s) of the Convertible Securities having issued a notice to the Company to request for remedial measures;
- (b) any court order having been made demanding the Company to cease operations or dissolve;
- (c) all or substantially all of the assets or businesses of the Group having been taken over by the receiver;
- (d) any enforcement or seizure measures having been taken, enforced, or applied to be taken against substantially all of the property of the Group, and such measures have not been released within ten (10) days;
- (e) any litigations having been commenced against the Company pursuant to any applicable bankruptcy, restructuring or insolvency laws, and such litigation proceedings have not been withdrawn or terminated within forty-five (45) days after their commencement; and
- (f) the Shares having been suspended from trading on GEM of the Stock Exchange for more than five trading days (save for suspensions pending release of inside information or clearance of announcement(s) by the regulatory authority(ies)), or the listing status of the Shares having been withdrawn.

For the avoidance of doubt, except as provided above, holder(s) of the Convertible Securities shall have no right to request the Company to redeem the Convertible Securities.

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Voting rights	The holder(s) of Convertible Securities will not be entitled to receive notice of, attend or vote at general meetings of the Company by reason only of it being a Convertible Securities holder.
Transferability	Subject to compliance with the GEM Listing Rules, the Convertible Securities may be transferred or assigned in whole or in part in integral multiples of HK\$100,000 by the holder(s) of the Convertible Securities to any party, save and except that the Convertible Securities shall not be transferred to a connected person of the Company unless with the prior written consent of the Company.
Ranking	The Conversion Shares, when allotted and issued, shall <i>rank pari passu</i> 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.
Listing	No application will be made by the Company for the listing of the Convertible Securities on the Stock Exchange. Application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares.
Security	The obligations of the Company under the Convertible Securities are unsecured.

Conversion Shares

Based on the Conversion Price of HK\$0.10 per Conversion Share, a maximum number of 1,010,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Securities in full, which represent: (i) approximately 167.11% of the issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 167.11% of the issued share capital of the Company as at the date of the Announcement; and (iii) approximately 62.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Securities in full.

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The maximum aggregate nominal value of the Conversion Shares is HK\$101,000,000.

Conversion Price

The Conversion Price of HK\$0.10 per Conversion Share represents:

- (i) a premium of approximately 40.85% over the closing price of HK\$0.071 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of 25.00% over the closing price of HK\$0.08 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (iii) a premium of approximately 17.65% over the average closing prices of HK\$0.085 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.099 per Conversion Share.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account of, (i) the recent 3-month market price of the Shares under the prevailing market conditions, i.e. taking into account of the market price range of the Share in between HK\$0.137 and HK\$0.08 during the 3-month period ending on the date of the Subscription Agreement; (ii) the latest business performance and financial condition of the Company, i.e. the improvement in revenue from approximately HK\$5.03 million for the six months ended 30 June 2023 to approximately HK\$8.11 million for the six months ended 30 June 2024, and the total assets value of the Group of approximately HK\$54.70 million as at 30 June 2024; (iii) the underlying terms of the Convertible Securities; and (iv) reasons and benefits of the Subscription as discussed in the section headed "Reasons for and benefits of the proposed issue of the Convertible Securities and use of proceeds" in the "Letter from the Board". The Directors (including the members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee contained in this circular) consider that the Conversion Price and the terms and conditions of the Subscription Agreement and the Convertible Securities are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

For further details and terms of the Subscription Agreement, please refer to the Letter from the Board.

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Our analysis

(a) Share prices

In order to assess the fairness and reasonableness of the Conversion Price, we reviewed the daily closing prices of the Shares as quoted on the Stock Exchange during the Review Period.

We consider that the Review Period which covers a full year prior to and including the date of the Subscription Agreement represents a reasonable and sufficient period to provide a general overview of the recent price performance of the Shares.



Source: the website of the Stock Exchange

During the Review Period, the closing prices of the Shares were between a low of HK\$0.040 per Share from 26 March 2024 to 8 April 2024 and a high of HK\$0.24 per Share on 12 December 2023, with an average closing price of approximately HK\$0.110 per Share.

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Between 23 November 2023 and 21 December 2023, there was a surge in the closing price of the Shares from HK\$0.114 per Share on 23 November 2023 to the peak of HK\$0.24 per Share on 12 December 2023. Based on our discussion with the management of the Company and the public disclosures of the Company during the said period, we are not aware of any specific factors that would reasonably contribute to such surge in the closing price of the Shares.

On 2 February 2024, there was a sudden plunge in the Share price that closed at HK\$0.117 per Share, down from that of HK\$0.2 per Share on previous day, and further dropped to HK\$0.063 per Share on 5 February 2024 and hit the lowest point of HK\$0.040 per Share from 26 March 2024 to 8 April 2024 before beginning a slow recovery of Share price. Based on our discussion with the management of the Company and the public disclosures of the Company during the said period, we are not aware of any specific factors that would reasonably contribute to such surge in the closing price of the Shares.

We note that the Conversion Price of HK\$0.10 per Conversion Share is within the range of the daily closing prices of the Shares during the Review Period. The Conversion Price represents a premium of 25% over the closing price of HK\$0.08 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement and a premium of 17.65% over the average closing price of HK\$0.085 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days of the Shares immediately prior to the date of the Subscription Agreement. Although the Conversion Price is slightly below the average closing price during the Review Period, considering that (i) the Conversion Price represents a premium over the closing price on the date of the Subscription Agreement and the average closing price for the five (5) consecutive trading days of the Shares immediately prior to the date of the Subscription Agreement; (ii) the Conversion Price is within the range of the daily closing prices of the Shares during the Review Period; and (iii) the sluggish trend of the Company's Share price, we concur with the Directors' view that the Conversion Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM MESSIS CAPITAL

(b) *Trading volumes*

Set out below is the average daily trading volume of the Shares per relevant month/period, and the respective percentage of the average daily trading volume of the Shares to the total number of issued Shares as at the end of relevant month/period, in the Review Period:

Month/period	Total trading volume of the Shares	Number of trading days	Average daily trading volume of the Shares	Percentage of average daily trading volume of total issued Shares as at the end of relevant month/period
October 2023 (from 11 October 2023)	3,432,261	14	245,162	0.041%
November 2023	46,958,252	22	2,134,466	0.353%
December 2023	86,542,124	19	4,554,849	0.754%
January 2024	43,624,825	22	1,982,947	0.328%
February 2024	112,808,646	19	5,937,297	0.982%
March 2024	32,278,202	20	1,613,910	0.267%
April 2024	5,438,083	20	271,904	0.045%
May 2024	22,961,023	21	1,093,382	0.181%
June 2024	11,851,027	19	623,738	0.103%
July 2024	8,744,987	22	397,499	0.066%
August 2024	115,773	22	5,262	0.001%
September 2024	1,667,400	19	87,758	0.015%
October 2024 (up to 10 October 2024)	721,289	7	103,041	0.017%
Maximum	112,808,646		5,937,297	0.982%
Minimum	115,773		5,262	0.001%
Average	29,011,069		1,465,478	0.242%

Source: the website of the Stock Exchange

It is noted that the average daily trading volume of the Shares per relevant month/period accounted for only a small proportion of the total number of issued Shares as at the end of the relevant month/period, which ranges from approximately 0.001% to 0.982% during the Review Period.

Given the relatively low liquidity of the Shares as illustrated above, we consider that if the Company were to raise a considerable amount of funds by way of issuing new Shares, the share subscription price would have to be set at a notable discount to the market price of the Shares so as to entice investments from Independent Third Party(ies) or existing Shareholders. As such, we concur with the Directors' view that the Conversion Price, representing a premium over the closing price on the date of the Subscription Agreement and the average closing price for the five (5) consecutive trading days of the Shares immediately prior to the date of the Subscription Agreement, is considered favourable to the Company and in the interests of the Company and the Shareholders as a whole.

LETTER FROM MESSIS CAPITAL

(c) *Comparable analysis*

In order to assess the fairness and reasonableness of the terms of the Convertible Securities, we have conducted research on the website of the Stock Exchange to identify issues and subscription of perpetual convertible securities for cash during the Review Period. However, we noted that only listed companies, namely HSBC Holdings plc. (“**HSBC**”) and Standard Chartered plc. (“**SC**”) issued perpetual convertible securities during the Review Period. The perpetual convertible securities issued by these two bank corporations has a fundamental distinction from the Convertible Securities that these perpetual convertible securities issued by banks are only converted automatically upon the occurrence of a conversion trigger event, where the ratio of the bank’s Common Equity Tier 1 Capital (the highest quality regulatory capital in terms of loss absorption as defined by the Hong Kong Monetary Authority) to its total risk-weighted assets is less than 7%. The holders of perpetual convertible securities issued by HSBC and SC do not have the right to convert their perpetual convertible securities at their discretion. Therefore, we consider a comparison between these perpetual convertible securities issued by banks and the Convertible Securities as not meaningful for analysing the fairness and reasonableness of the terms of the Convertible Securities, which would leave no other issues and subscription of perpetual convertible securities for comparison during the Review Period.

As such, we have expanded our research on the website of the Stock Exchange to issues and subscription of perpetual convertible securities for cash (the “**Comparables**”), which is an exhaustive list, from 11 October 2021 to 10 October 2024, being the 36-month period prior to and including the date of the Subscription Agreement.

However, given the differences between the Comparables and the Group in terms of business nature, financial performance, market capitalisation, financial position as well as the reasons for the issue of the Comparables and their respective funding requirements, we consider that the Comparables are not close references to the issue of the perpetual convertible securities that have taken into account such company specific factors, but could serve as a fair market reference of perpetual convertible securities on the terms of the Convertible Securities.

Date of announcement	Name of company (Stock code)	Conversion price	Premium of the conversion price over/to the closing price on the respective last trading day	Premium of the conversion price over the average closing price for the respective last five trading days	Distribution rate per annum
29 March 2023	Kerry Logistics Network Limited (636)	HK\$18.8	44.17%	46.55%	3.3% (assume no step-up due to triggering event)
13 December 2021	Asiaray Media Group Limited (1993)	HK\$1.4	7.7%	7.7%	3.5%
21 October 2021	Apex Ace Holding Limited (6036)	HK\$0.35	18.64%	16.67%	0.5%
		Maximum	44.17%	46.55%	3.50%
		Minimum	7.70%	7.70%	0.50%
		Average	23.50%	23.64%	2.43%
		Median	18.64%	16.67%	3.30%
	The Convertible Securities	HK\$0.10	25.00%	17.65%	3.00%

Conversion Price

As set out in the table above, we note that the conversion price to (i) the closing price on the last trading day prior to the announcements in relation to the respective Comparables ranged from a premium of approximately 7.70% to a premium of approximately 44.17%, with an average and median premium of approximately 23.50% and 18.64% respectively; (ii) the average closing price of the last five trading days prior to the announcements in relation to the respective Comparables ranged from a premium of approximately 7.70% to a premium of approximately 46.55%, with an average and median premium of approximately 23.64% and 16.67% respectively. The conversion price of HK\$0.10 per Conversion Share is at (i) a premium of approximately 25.00% to the closing price per Share on the date of the Subscription Agreement (also being the “**Last Trading Date**”); and (ii) a premium of approximately 17.65% to the average closing price per Share for the last five trading days up to and including the Last Trading Date, which both fall within the ranges of the premium represented by the conversion prices of the Comparables and is higher than the average premium represented by the conversion prices of the Comparables.

Having considered that (i) the conversion price of HK\$0.10 per Conversion Share falls within the range of the daily highest and lowest closing price of the Shares and representing only slight discount of approximately 9.09% over the average daily closing price of the Shares during the Review Period; and (ii) the relatively low liquidity of the Shares during the Review Period, both factors of which are specific to the Company and would have seen the share subscription price of an equity fund raising to be set at a notable discount to the market price of the Shares so as to entice investments, we consider that the Conversion Price, representing a premium over the closing price on the date of the Subscription Agreement and the average closing price for the five (5) consecutive trading days of the Shares immediately prior to the date of the Subscription Agreement, is considered favourable to the Company and in the interests of the Company and the Shareholders as a whole. Furthermore, as the respective premium represented by the Conversion Price over the closing price of the Shares on the Last Trading Date and over the average closing price per Share for the last five trading days prior to the Last Trading Date both fall within the ranges of the premium represented by the conversion prices of the Comparables and is higher than the average premium represented by the conversion prices of the Comparables, we consider that the Comparables serve as fair market reference of perpetual convertible securities on the terms of the Convertible Securities and that the Conversion Price is in line with the general practice of the market. As a whole, we consider that the Conversion Price, that is not set at a discount but a premium higher than those prevailing in the market, are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM MESSIS CAPITAL

Distribution rate

The Convertible Securities confer a right to its holder to receive the Distribution from and including the date of issue of the Convertible Securities at a rate of 3.0% per annum. As set out in the table above, the distribution rates of the Comparables ranged from 0.50% to 3.50% per annum with an average and median distribution rates of approximately 2.43% and 3.30% per annum, respectively.

Having considered that the distribution rate of the Convertible Securities falls within the range of the Comparables and is higher than the average distribution rate represented by those of the Comparables, we consider that the distribution rate of the Convertible Securities is fair and reasonable so far as the Independent Shareholders are concerned.

Term to maturity

We note that the Convertible Securities and the Comparables has no maturity date. As discussed with the management of the Company, they consider it is beneficial to the Group as this may provide the Group with adequate time to consolidate and develop its current business and would require no instant material cash outflow from the Group.

Considering that the Convertible Securities is perpetual, we concur with the management of the Company that the Convertible Securities provides the Company financial flexibility to improve its financial position, and therefore we consider that it is fair and reasonable so far as the Independent Shareholders are concerned.

4. Effect on the shareholding structure of the Company

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full conversion of the Convertible Securities at the Conversion Price of HK\$0.10 (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the full conversion of the Convertible Securities) are as follows:

	(i) As at the Latest Practicable Date		(ii) Immediately upon full conversion of the Convertible Securities at the initial Conversion Price of HK\$0.10	
	No. of Shares	Approx %	No. of Shares	Approx %
The Subscriber ^(Note 1)	174,421,666	28.6	1,184,421,666	73.37
Mr. Ann, Yu Chiu Andy ^(Note 2)	19,999,999	3.31	19,999,999	1.24
Other public Shareholders	<u>409,973,947</u>	<u>67.83</u>	<u>409,973,947</u>	<u>25.39</u>
Total	<u>604,395,612</u>	<u>100.00</u>	<u>1,614,395,612</u>	<u>100.00</u>

LETTER FROM MESSIS CAPITAL

Notes:

1. The Subscriber, being Team Sunny, is owned as to 100% by Mr. Wong, who is deemed to be interested in 174,421,666 Shares pursuant to Part XV of the SFO.
2. Mr. Ann, Yu Chiu Andy is the director of NOIZChain Limited (a wholly-owned subsidiary of the Company) and is personally interested in 19,999,999 Shares.

As illustrated in the table above and assuming upon full conversion of both the Convertible Securities into Conversion Shares, the shareholding in the Company held by public Shareholders will be diluted from approximately 67.83% to 25.39%.

Notwithstanding the potential considerable dilution effect to the existing public Shareholders, having considered (i) the benefits of entering into the Subscription Agreement as discussed in the section headed “2. Reasons for and benefits of the Subscription” above; and (iii) the terms of the Subscription Agreement, including the Conversion Price, being fair and reasonable as discussed in the paragraphs headed “(ii) Principal terms of the Share Subscription Agreement” under the section headed “3. The Subscription” above, we are of the view that the dilution to the shareholding of the existing public Shareholders resulting from the issue of the Conversion Shares is justifiable.

5. Possible financial effects of the Subscription

Earnings

According to the AR 2023, the Group recorded net loss of approximately HK\$25.67 million for FY 2023, which is partly contributed to the imputed interests on the 2025 August CBs of approximately HK\$12.31 million for FY 2023, representing an imputed interest rate of approximately 16.83% based on the carrying amount of convertible bonds of the Company of approximately HK\$77.93 million as at 31 December 2023. In contrast, the Convertible Securities bear an annual distribution of 3.00% per annum (to be recognised as interest expenses in the financial statements of the Company), which would only amount to approximately HK\$3.03 million based on the principle amount of the Convertible Securities of HK\$101.00 million. The vast reduction in interest expenses is expected to contribute to improving the loss-making condition of the Group.

Net assets

The outstanding principal amount of the 2025 August CBs held by the Subscriber will be principally settled through the issuance of the Convertible Securities on the date of Completion. As the Convertible Securities is considered to be equity of the Company, the Subscription would result in a turnaround of the existing net liabilities position of the Company to a net asset position and thus improve the financial position of the Company.

LETTER FROM MESSIS CAPITAL

Gearing and cashflow

The Group's gearing ratio as at 30 June 2024 was approximately 1.5 (as at 31 December 2023: approximately 1.4), being a ratio of total interest-bearing debts, including convertible bonds, of approximately HK\$84.2 million (as at 31 December 2023: approximately HK\$77.9 million) to the total assets of approximately HK\$54.7 million (as at 31 December 2023: approximately HK\$56.7 million). Upon the Completion, it is expected that the gearing ratio of the Company would improve.

It should be noted that the above analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Subscription.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the Subscription Agreement and the transactions contemplated respectively thereunder, including but not limited to and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares, while not being in the ordinary and usual course of business of the Group, are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Subscription is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Wallace Cheung
Managing Director

Mr. Wallace Cheung is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of MESSIS CAPITAL LIMITED to carry out type 6 (advising on corporate finance) regulatory activity under the SFO and has over 14 years of experience in corporate finance industry.

1. 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 regards 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.

2. SHARE CAPITAL

The authorised and issued share capital in the Company as at the Latest Practicable Date and immediately following full conversion of the Convertible Securities will be as follows:

- i. As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

Authorised:	<i>HK\$</i>
2,000,000,000 Shares of HK\$0.10 each	200,000,000.00
Issued and paid-up share capital:	
604,395,612 Shares of HK\$0.10 each	60,439,561.20

- ii. The following table illustrates the share capital structure of the Company immediately following the allotment and issue of the Convertible Securities will be as follows:

Authorised:	<i>HK\$</i>
2,000,000,000 Shares of HK\$0.10 each	200,000,000.00
Issued and paid-up share capital:	
604,395,612 Shares of HK\$0.10 each	60,439,561.20
1,010,000,000 Conversion Shares to be allotted and issued upon full conversion of the Conversion Securities at the initial Conversion Price of HK\$0.10	101,000,000.00
<u>1,614,395,612</u> Total	<u>161,439,561.20</u>

All the issued Shares in the capital of the Company rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Conversion Shares when allotted and issued will rank *pari passu* in all respects with the existing Shares on the relevant date of allotment.

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

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

The Share Option Scheme

As at the Latest Practicable Date, the Company had outstanding share options granted under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 1,816,214 new Shares, details of which are set out below:

Date of grant	Exercise period	Exercise price	Number of underlying Shares
20/1/2021	20/1/2021-19/1/2026	0.132	1,816,214

Save for the aforesaid outstanding share options, the Company had no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares and there was no share or loan capital of any member of the Group which was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

a) Interest of Directors

As at the Latest Practicable Date, the interests and short positions of Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have taken under such provisions of the SFO) or (ii) were recorded in the register required to be kept under section 352 of the SFO, or (iii) were otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

Long position in the Shares and underlying Shares

Name of Director	Capacity	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of the total issued share capital of the Company
Mr. Wong ^(Note 1)	Interest in a controlled corporation	174,421,666	581,839,903	756,261,560	125.13%
Ms. Ng Ka Sim, Casina ^(Note 2)	Beneficial owner	-	113,513	113,513	0.02%
Mr. Wong Wing Kit ^(Note 2)	Beneficial owner	-	113,513	113,513	0.02%
Ms. Yeung Mo Sheung, Ann ^(Note 2)	Beneficial owner	-	113,513	113,513	0.02%

Note:

- The interest is held by Team Sunny, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Wong, being the Chairman, an executive Director and the chief executive officer of the Company. Team Sunny is interested in 174,421,666 Shares held by it and 581,839,903 underlying Shares to be allotted and issued upon full conversion of the 2025 August CBs.
- Ms. Ng Ka Sim, Casina, Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann are the independent non-executive Directors of the Company whom each hold 113,513 share options under the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company have interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, the following persons (not being Directors and chief executive of the Company) had an interest or short position in the Shares underlying shares or debentures of the Company as recorded in the register required to be kept under section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares and underlying Shares

Name	Capacity	Number of Shares held	Number of total underlying Shares	Total	Approximate percentage of the total issued share capital of the Company
Team Sunny ^(Note)	Beneficial owner	174,421,666	581,839,903	756,261,560	125.13%

Note: The interest is held by Team Sunny, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Wong, being the Chairman, an executive Director and the chief executive officer of the Company. Team Sunny is interested in 174,421,666 Shares held by it, 581,839,903 underlying Shares to be allotted and issued upon full conversion of the 2025 August CBs. Mr. Wong is the sole director and sole shareholder of Team Sunny.

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any parties (other than a Director or the chief executive of the Company) in the Shares or underlying Shares, which were required (a) to be disclosed under Divisions 2 and 3 of Part XV of the SFO or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, none of the Directors and their respective associates had any direct or indirect interest in the assets which had been, since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors and their respective associates was materially interested in any contract or arrangement which was significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors or any of their respective close associates had any interest in a business which competes or may compete, whether directly or indirectly, with the business of the Group or had any other conflict of interests which any person has or may have with the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Company or any member of the Group within one year without payment of compensation (other than statutory compensation)).

7. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance pending or threatened against any member of the Group.

8. EXPERTS AND CONSENT

The following sets out the qualifications of the expert who has given its opinion, letter or advice included in this circular:

Name	Qualifications
Messis Capital	A licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or advice, and references to its name in the forms and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

10. GENERAL

- (i) The company secretary of the Company is Mr. Au Kai Yin, who is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (ii) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (iii) The principal place of business of the Company in Hong Kong is at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Central, Hong Kong.
- (iv) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (v) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong. Save and except for Renminbi, the Group has no exposure to foreign exchange liabilities.
- (vi) The English texts of this circular shall prevail over the Chinese texts.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection website of the Stock Exchange (www.hkexnews.hk) and (ii) on the website of the Company (www.noiz-group.com) from the date of this circular up to and including the date of the EGM, being a period of not less than 14 days:

- (i) the Letter from the Board, the text of which is set out on pages 5 to 28 of this circular;
- (ii) the letter from the Independent Board Committee, the text of which is set out from pages 29 to 30 of this circular;
- (iii) the letter from Messis Capital, the text of which is set out on pages 31 to 62 in this circular;
- (iv) the written consent referred to in the paragraph headed “8. EXPERT AND CONSENT” in this Appendix I;
- (v) the Subscription Agreement; and
- (vi) this circular.

NOTICE OF EGM



NOIZ GROUP LIMITED

聲揚集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of NOIZ Group Limited (the “**Company**”) will be held at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Monday, 25 November 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“THAT:

- (a) the conditional subscription agreement (the “**Subscription Agreement**”) dated 10 October 2024 and entered into between the Company as issuer and Team Sunny International Holdings Limited (the “**Subscriber**”) as subscriber in relation to the subscription of perpetual convertible securities (the “**Convertible Securities**”) in the principal amount of HK\$101,000,000 by the Subscriber (a copy of the Subscription Agreement having been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for the purpose of identification), and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Securities and the allotment and issue of the conversion Shares (the “**Conversion Shares**”) upon exercise of the conversion rights attaching to the Convertible Securities) be and are hereby approved, confirmed and ratified;
- (b) the board of directors (the “**Director(s)**”) of the Company be and is hereby granted a specific mandate to allot and issue the Conversion Shares upon exercise of the conversion rights attached to the Convertible Securities in accordance with the terms and conditions of the Convertible Securities; and
- (c) any one or more Director(s) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal, where applicable) which he/she/they consider(s) necessary, desirable or expedient to give effect to the Subscription Agreement and the transactions contemplated thereunder.”

Yours faithfully,

By order of the Board

NOIZ GROUP LIMITED

Wong Hin Shek

Chairman and Chief Executive Officer

Hong Kong, 8 November 2024

NOTICE OF EGM

Notes:

- (1) Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxies (if a member who is the holder of two or more shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the Meeting (i.e. 11:00 a.m. on Saturday, 23 November 2024). Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the Meeting, and in such event the instrument appointing a proxy shall be deemed to be revoked.
- (3) In the case of joint holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (4) The Meeting is expected to last for less than half a day. Members (in person or by proxy) attending the Meeting are responsible for their own transportation and accommodation expenses. Members or their proxies attending the Meeting shall present their identity certifications.
- (5) If Typhoon Signal No. 8 or above is expected to be hoisted or a Black Rainstorm Warning Signal or “extreme conditions” caused by a super typhoon is expected to be in force any time after 9:00 a.m. on the date of the Meeting, then the Meeting will be adjourned. The Company will post an announcement on the website of the Company at www.noiz-group.com and the Stock Exchange’s website at www.hkexnews.hk to notify shareholders of the date, time and place of the adjourned meeting. The Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Members of the Company should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations.

As at the date of this notice, the executive Director is Mr. Wong Hin Shek (Chairman and Chief Executive Officer) and the independent non-executive Directors are Ms. Ng Ka Sim, Casina, Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann.