

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Clear Media Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

The Offer is being made for the securities of a Bermuda company and while the Offer is subject to Hong Kong disclosure and procedural requirements, investors should be aware that these requirements are different from those of the US. The financial statements included herein have been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial statements of US companies.

This Composite Document is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Offeror and/or the Holdco and/or the Company, nor shall there be any sale, purchase or subscription for securities of the Offeror and/or the Holdco and/or the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This Composite Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer. This Composite Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

Ever Harmonic Global Limited

(Incorporated in Cayman Islands with limited liability)

CLEAR MEDIA LIMITED

白馬戶外媒體有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 100)

**COMPOSITE DOCUMENT RELATING TO
VOLUNTARY CONDITIONAL OFFER BY
CLSA LIMITED AND CHINA INTERNATIONAL CAPITAL
CORPORATION HONG KONG SECURITIES LIMITED
FOR AND ON BEHALF OF
EVER HARMONIC GLOBAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CLEAR MEDIA LIMITED (OTHER THAN THOSE SHARES
OWNED OR AGREED TO BE ACQUIRED BY EVER HARMONIC
GLOBAL LIMITED OR PARTIES ACTING IN CONCERT WITH IT)**

Lead Financial Adviser to the Offeror

Joint Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Capitalized terms used on this cover shall have the same meanings as those defined in this Composite Document unless the context requires otherwise.

A letter from CLSA Limited and CICC containing, among other things, the details of the terms and conditions of the Offer is set out on pages 11 to 47 of this Composite Document. A letter from the Board is set on pages 48 to 58 of this Composite Document. A letter from the Independent Board Committee containing its recommendations in respect of the Offer to the Shareholders is set out on pages 59 to 60 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 61 to 96 of this Composite Document.

The procedures for acceptance and settlement of the Offer and related information are set out on pages I-1 to I-12 in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Offer must be received by the Registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Tuesday, August 24, 2021, or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the section headed "Overseas Shareholders and Notice to US Investors" in the "Letter from CLSA Limited and CICC" and the section headed "Overseas Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdictions. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer. The Overseas Shareholders should inform themselves of and observe any applicable legal, tax or regulatory requirements.

This Composite Document is issued jointly by the Offeror and the Company. The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

This Composite Document will remain on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.clear-media.net/>) as long as the Offer remains open.

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

Despatch date of this Composite Document and
the accompanying Form of Acceptance and
commencement date of the Offer (*Note 1*) Tuesday, August 3, 2021

Opening date of the Offer Tuesday, August 3, 2021

Latest time and date for acceptance of the Offer on the
first Closing Date (*Note 3 & 7*) 4:00 p.m. on
Tuesday, August 24, 2021

First Closing Date (*Note 3 & 7*) Tuesday, August 24, 2021

Announcement of the results of the Offer as at the
first Closing Date, to be posted on the websites of
the Stock Exchange and the Company no later than 7:00 p.m.
on Tuesday, August 24, 2021

Latest date for posting of remittances
of cheques for the amount due or
share certificates of Holdco Shares in respect of
valid acceptances received under the Offer on or
before 4:00 p.m. on the first Closing Date
assuming the Offer becomes or
is declared unconditional on
the first Closing Date (*Note 4 & 7*) Thursday, September 2, 2021

Final Closing Date assuming the Offer becomes or
is declared unconditional on the first Closing Date
(*Note 5 & 7*) Tuesday, September 7, 2021

Latest time and date for acceptance of the Offer
on the final Closing Date assuming
the Offer becomes or is declared unconditional on
the first Closing Date (*Note 5 & 7*) 4:00 p.m. on
Tuesday, September 7, 2021

Announcement of the results of the Offer as at the
final Closing Date, to be posted on the websites of
the Stock Exchange and the Company no later than 7:00 p.m.
on Tuesday, September 7, 2021

EXPECTED TIMETABLE

Latest date for posting of remittances
of cheques for the amount due or share
certificates of Holdco Shares in respect of valid acceptances
received under the Offer at or before 4:00 p.m.
on the final Closing Date (*Note 4*) Thursday, September 16, 2021

Latest time and date by which the Offer can become
or be declared unconditional as to acceptances (*Note 6 & 7*) 7:00 p.m.
on Monday, October 4, 2021

Latest time and date by which the Offer can become
or be declared unconditional in all aspects (*Note 6 & 7*) 7:00 p.m. on
Monday, October 25, 2021

Date of withdrawal of listing of the Shares
(assuming the Offer will close at the first Closing Date) End of September 2021
(tentatively)

Notes:

1. The Offer is open for acceptance on and from Tuesday, August 3, 2021, being the date of posting of this Composite Document, and is capable of acceptance on and from that date until the close of the Offer Period. For the purpose of ensuring accuracy of the registered ownership of the Holdco Shares and satisfying compliance requirements applicable to shareholders of a Cayman-incorporated company, only the registered Offer Shareholders i.e. those whose names appear on the register of members of the Company with physical share certificates are allowed to elect the Share Alternative. **If an Offer Shareholder holding Offer Shares via CCASS wishes to elect the Share Alternative, such Offer Shareholder is required to instruct his/her/its securities dealer/custodian banks to withdraw the Offer Shares from CCASS and arrange for the transfer of those Shares into his/her/its own name as soon as possible thereafter before the relevant deadline for election.**
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for giving instructions to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
3. The Offer will initially remain open for acceptances until 4:00 p.m. on Tuesday, August 24, 2021 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any extension of the Offer, which announcement will state either the next Closing Date or, if the Offer is at that time unconditional as to acceptances, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offer is closed to those Shareholders who have not accepted the Offer.
4. Subject to the Offer becoming or being declared unconditional, remittances of cheques in respect of the Cash Alternative or share certificates of Holdco Shares in respect of the Share Alternative for the Offer Shares tendered under the Offer will be despatched to the accepting Shareholder(s) (to the address specified on the Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the later of the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and the date on which the Offer becomes or is declared unconditional in all respects.

EXPECTED TIMETABLE

5. In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), the Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the Offer is closed. The Offeror has the right, subject to the Takeovers Code, to extend the Offer until such date as the Offeror determines or as permitted by the Executive, in accordance with the Takeovers Code. The Offeror will issue an announcement in relation to any extension of the Offer, which will state the next Closing Date or, if the Offer have become or are at that time declared unconditional, that the Offer will remain open until further notice.
6. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on Monday, October 4, 2021 being the following business day of the 60th day after the day this Composite Document is posted. Accordingly, unless the Offer has previously become unconditional as to acceptances, the Offer will lapse on Monday, October 4, 2021 unless extended with the consent of the Executive and in accordance with the Takeovers Code. In addition, except with the consent of the Executive, if the Offer does not become or is not declared unconditional in all respects within 21 days of the Offer becoming or is declared unconditional as to acceptances, the Offer will lapse. Therefore, the last day by which the Offer can become or be declared unconditional in all respects is Monday, October 25, 2021.
7. The latest time and date for acceptance of the Offer and the latest date for posting of remittances of cheques for the amounts due or share certificates of Holdco Shares under the Offer in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning", in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances of cheques for the amounts due or share certificates of Holdco Shares under the Offer in respect of valid acceptances. Instead the latest time for acceptance of the Offer and the posting of remittances of cheques or share certificates of Holdco Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

All references to date and time contained in this Composite Document and the Form of Acceptance refer to Hong Kong date and time.

IMPORTANT NOTICES

NOTICE TO SHAREHOLDERS OUTSIDE HONG KONG

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction in relation to the Offer (including but not limited to any taxes as such person may be required to pay, and any liabilities in relation to the withholding obligation of the Offeror according to the relevant laws and regulations in any relevant jurisdiction). The Offeror, CLSA Limited, CLSA Capital Markets and CICC and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the sections headed “Overseas Shareholders and Notice to Overseas Shareholders” in the “Letter from CLSA Limited and CICC” and “Overseas Shareholders” in Appendix I to this Composite Document.

NOTICE TO US HOLDERS OF OFFER SHARES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to this entire Composite Document following this disclaimer page, and you are therefore advised to read this disclaimer page carefully before accessing, reading or making any other use of this Composite Document. In, and as a result of, accessing this Composite Document you agree, and you are deemed to agree, to be bound by the following terms and conditions. Capitalized terms used in this disclaimer and not defined herein have the meanings assigned to them in the “Definitions” section of this Composite Document.

Because the Shares are listed on the Stock Exchange, the Offer is subject to Hong Kong disclosure requirements, which are different from those of the United States. Valid election of the Share Alternative in connection with the Offer will involve the exchange of securities of the Holdco, an exempted company incorporated in the Cayman Islands with limited liability, for securities of the Company, a company incorporated in Bermuda with limited liability. Financial statements and other financial data concerning the Group and the Holdco that is included or referred to in this Composite Document have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and thus may not be comparable to financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

IMPORTANT NOTICES

US holder(s) of Offer Shares or Holdco Shares may encounter difficulty enforcing their rights and any claims arising under the US federal securities laws, as each of the Company and the Holdco is located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. US holders of Offer Shares or Holdco Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, US holder(s) of Offer Shares or Holdco Shares may encounter difficulty compelling a non-US company and its affiliates to subject themselves to a US court's judgment.

Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or pursuant to an exemption from such registration. The Holdco Shares to be transferred to Offer Shareholders who validly elect the Share Alternative will be "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act to the same extent and proportion as the Offer Shares for which they were exchanged pursuant to the Offer.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the Holdco Shares to be issued in connection with the Offer, or determined if this Composite Document is accurate or complete. Any representation to the contrary may be a criminal offence.

The Offer will be made in the United States pursuant to exemptions from certain applicable US tender offer rules and otherwise in accordance with the requirements of the SFO. Accordingly, the Offer will be subject to disclosure and other procedural requirements of Hong Kong, including with respect to withdrawal rights, the timetable of the Offer, settlement procedures and the timing of payments that are different from those applicable under US tender offer rules. You should be aware that the Offeror may purchase securities otherwise than under the Offer, such as in open market or privately negotiated purchases, subject to the applicable requirements of the SFO.

The receipt of the Cash Alternative or the Share Alternative pursuant to the Offer by a US holder of Offer Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Offer Shareholder is urged to consult an independent professional adviser immediately regarding applicable tax consequences of the Offer.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. The Offeror assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable laws and the Takeovers Code.

IMPORTANT NOTICES

NEED HELP?

Please call the customer service hotline of the Registrar, Tricor Tengis Limited, at +852 2980-1333 between 9:00 a.m. and 5:00 p.m. on Mondays to Fridays, excluding Hong Kong public holidays, if you have any enquiries concerning administrative matters, such as dates, documentation and procedures relating to the Offer.

The hotline cannot and will not provide advice on the merits of the Offer or give financial or legal advice. If you are in any doubt as to any aspect of this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Aimia”	Aimia Inc., a company incorporated in Canada and listed on the Toronto Stock Exchange (stock code: AIM)
“Antfin”	Antfin (Hong Kong) Holding Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly owned by Ant Group
“Antfin Directors”	the directors of Antfin as at the Latest Practicable Date, namely, Mr. Leiming Chen, Mr. Xinyi Han and Mr. Kai Nin Kenny Man
“Ant Group”	螞蟻科技集團股份有限公司 (Ant Group Co., Ltd.*), a company incorporated in the PRC with limited liability
“associates”	has the meaning ascribed thereto in the Takeovers Code
“Bermuda”	the Islands of Bermuda
“Bermuda Companies Act”	The Companies Act of Bermuda 1981 (as amended)
“Board”	board of the Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Cash Alternative”	HK\$7.12 per Offer Share payable in cash by the Offeror
“Cayman Islands Companies Act”	Companies Act of the Cayman Islands (as amended from time to time)
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited

DEFINITIONS

“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, the financial adviser to the Offeror in respect of the Offer
“City Lead”	City Lead Developments Limited (城領發展有限公司), a company incorporated in the British Virgin Islands with limited liability and held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund
“City Lead Holdco Shares ROFR”	has the meaning ascribed thereto in the section headed “Rights and Obligations of Holdco as a shareholder of the Offeror” in the “Letter from CLSA Limited and CICC” of this Composite Document
“Closing Date”	the date stated in this Composite Document as the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code and/or approved by the Executive
“CLSA Capital Markets”	CLSA Capital Markets Limited, a corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the lead financial adviser to the Offeror in respect of the Offer, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)
“CLSA Limited”	CLSA Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO, being one of the agents making the Offer on behalf of the Offeror, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)

DEFINITIONS

“CNCBI”	China Citic Bank International Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“CNCBI Facility Agreement”	the credit agreement dated March 27, 2020 entered into between the Offeror, City Lead, Forward Elite, CLSA Limited and the Lenders led by CNCBI
“Company”, “Clear Media” or “Offeree”	Clear Media Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 100)
“Composite Document”	this composite document issued jointly by the Offeror and the Company in relation to the Offer in accordance with the Takeovers Code and the Listing Rules
“Compulsory Acquisition Entitlement Period”	the period commencing on the date of this Composite Document and ending on the date falling four months after the date of this Composite Document (or such later date as the Executive may permit for the requisite level of acceptances to be reached in order for the Offeror to undertake compulsory acquisition)
“Concert Parties”	with respect to a party, parties acting in concert with it as such term is defined under the Takeovers Code
“Conditions”	the conditions of the Offer, as set out in the section headed “Conditions of the Offer” in the “Letter from CLSA Limited and CICC” of this Composite Document
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Court”	the Supreme Court of Bermuda

DEFINITIONS

“CWG Fund”	China Wealth Growth Fund III L.P., an exempted limited partnership registered under the laws of the Cayman Islands, whose general partner is JT China Wealth Management Limited and whose sole limited partner is Empyrean Management (Hong Kong) Limited (九天管理(香港)有限公司)
“CWG Fund Director”	Ms. Fei Fei Shum, the sole director of JT China Wealth Management Limited, the general partner of CWG Fund as at the Latest Practicable Date
“Director(s)”	director(s) of the Company
“Disinterested Shares”	Shares other than those which are owned by the Offeror and parties acting in concert with it
“Disinterested Shareholders”	holders of Disinterested Shares
“Encumbrance”	a charge, debenture, mortgage, pledge, deed of trust, lien, option, equity rights, power of sale, hypothecation, claim, retention of title, right of pre-emption, right of first refusal, or other third party right or security interest of any kind or an agreement or obligation to create any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“External Financing”	First Offer External Financing and Offer External Financing
“First Offer”	the offer jointly announced by the Offeror and the Company on March 30, 2020 pursuant to which CLSA Limited and CICC, for and on behalf of the Offeror, made a voluntary conditional cash offer to acquire all of the shares in the entire issued share capital of the Company, and to cancel all outstanding options granted by the Company
“First Offer External Financing”	the external debt financing utilized by the Offeror in the amount of HK\$1,134,795,239.54 in relation to the First Offer pursuant to the CNCBI Facility Agreement

DEFINITIONS

“Form of Acceptance”	the form of acceptance to be completed by Offer Shareholders for the acceptance of the Offer and the election of the Cash Alternative or the Share Alternative (but not, for the avoidance of doubt, a combination of the two), which is despatched to the Offer Shareholders together with this Composite Document
“Forward Elite”	Forward Elite Holdings Limited (傑發控股有限公司), a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Han Zi Jing
“Forward Elite Holdco Deed of Undertaking”	the deed of undertaking to be granted by Forward Elite in favor of the Holdco, as further described in the section headed “Forward Elite Holdco Deed of Undertaking” in the “Letter from CLSA Limited and CICC” of this Composite Document
“Forward Elite Payables”	has the meaning ascribed thereto in the section headed “Forward Elite Holdco Deed of Undertaking” in the “Letter from CLSA Limited and CICC” of this Composite Document
“Group”	the Company and its subsidiaries, and “Group Company” means any one of them
“Han Group”	Forward Elite and Mr. Han Zi Jing
“HIBOR”	Hong Kong Interbank Offered Rate
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“HKSCC Nominee”	HKSCC Nominees Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holdco”	City Lead II Developments Limited (城領II發展有限公司), an exempted company incorporated in the Cayman Islands with limited liability, which is wholly owned by City Lead as at the Latest Practicable Date
“Holdco Share(s)”	share(s) in the capital of the Holdco with a par value of US\$0.00001 each

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising Mr. Peter Cosgrove, Mr. Robert Gazzi, Mr. Wang Shou Zhi, Mr. Christopher Thomas and Ms. Li Ping established for the purpose of making a recommendation to the Disinterested Shareholders in relation to the Offer
“Independent Financial Adviser” or “Sommerley”	Sommerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Independent Board Committee in relation to the Offer
“Initial Funding Inter-shareholder Loans”	the excess of the Investor Shareholders’ contribution to the First Offer over their pro rata share of the consideration payable by the Offeror in connection with the First Offer (subject to adjustments taking into account the funding requirements of the Offer), which is deemed to be a loan from the Investor Shareholders to Forward Elite
“Internal Funding”	has the meaning ascribed thereto in the section headed “THE OFFER – The Share Alternative” in the “Letter from CLSA Limited and CICC” of this Composite Document
“Investor Shareholder(s)”	the shareholders of City Lead other than Forward Elite
“Irrevocable Undertaking”	the irrevocable undertaking dated July 3, 2021 executed by Aimia and accepted by the Offeror, pursuant to which Aimia has irrevocably undertaken to the Offeror to accept the Offer in respect of all of the Sale Shares, by election of either the Share Alternative or the Cash Alternative in respect of all of the Sale Shares
“JCDecaux”	JCDecaux SA, a company incorporated in France and listed on Euronext Paris (stock code: DEC)

DEFINITIONS

“JCDecaux Directors”	the members of the Executive Board (le Directoire) of JCDecaux as at the Latest Practicable Date, namely, Mr. Jean-François Decaux, Mr. Jean-Charles Decaux, Mr. David Bourg, Mr. Emmanuel André Bernard Bastide and Mr. Daniel Hofer
“JCDecaux Group”	JCDecaux and its subsidiaries
“JCDI”	JCDecaux Innovate Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly owned by JCDecaux
“JCDI Directors”	the directors of JCDI as at the Latest Practicable Date, namely, Ms. Juliette Cécile Marie Vigier ép. Mouchonnet, Mr. Emmanuel André Bernard Bastide and Mr. Stephen Hon Chiu Wong
“KYC Documents”	(a) if the Offer Shareholder is an individual, such Offer Shareholder must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a notary public) of each of (i) the Offer Shareholder’s valid passport and (ii) proof of the Offer Shareholder’s residential address (which shall be issued within the last three months of the date of the acceptance of the Share Alternative); and (b) if the Offer Shareholder is a corporation, it must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a notary public) of each of (i) its certificate of incorporation, (ii) its constitutional document, (iii) its register of members (or equivalent) and (iv) its register of directors (or equivalent). These documents should be in English or accompanied by an English translation which is certified as a true translation. The Offeror and the Company reserve the discretion to request for additional evidence or documents as may be required for the purpose of complying with the relevant anti-money laundering requirements of the Cayman Islands
“Last Trading Day”	July 13, 2020, being the last trading day on which the Shares were traded on the Stock Exchange prior to the issue and publication of this Composite Document
“Latest Practicable Date”	July 30, 2021, being the latest practicable date prior to printing of this Composite Document for ascertaining certain information for inclusion in this Composite Document

DEFINITIONS

“Lenders”	a syndicate of lenders led by CNCBI
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the voluntary conditional offer by the Offeror to acquire all the issued Shares (other than the Shares owned or agreed to be acquired by the Offeror or parties acting in concert with it)
“Offer Consideration”	the consideration payable by the Offeror in connection with the Offer, being the Cash Alternative or the Share Alternative (but not, for the avoidance of doubt, a combination of the two)
“Offer External Financing”	the external debt financing granted by the Lenders to the Offeror in the principal amount of up to HK\$465,204,760.46 pursuant to the second deed of amendment to the CNCBI Facility Agreement entered into by the Offeror, City Lead, Forward Elite, Mr. Han Zi Jing and CNCBI on July 2, 2021
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from July 5, 2021 and ending at 4:00 p.m. (Hong Kong time) on the Closing Date
“Offer Share(s)”	any and all of the issued Share(s) (other than the Shares owned or agreed to be acquired by the Offeror or parties acting in concert with it)
“Offer Shareholder(s)”	holders of Offer Share(s)
“Offeror”	Ever Harmonic Global Limited (永和環球有限公司), an exempted company incorporated in the Cayman Islands with limited liability on August 2, 2019 which is wholly owned by City Lead as at the date of this Composite Document
“Offeror Directors”	the directors of the Offeror as at the Latest Practicable Date, namely, Mr. Han Zi Jing, Ms. Junrong Zhao, Mr. Liang Chen, Mr. Stephen Hon Chiu Wong and Ms. Fei Fei Shum

DEFINITIONS

“Offeror Repayment Inter-Shareholder Loans”	has the meaning ascribed thereto in the section headed “Shareholders’ Agreement — (c) Inter-shareholder lending” in the “Letter from CLSA Limited and CICC” of this Composite Document
“Offeror Share(s)”	ordinary share(s) in the share capital of the Offeror
“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“public”	has the meaning ascribed there to under Rule 8.24 of the Listing Rules (and “in public hands” shall be construed accordingly)
“Registrar”	Tricor Tengis Limited, being the Hong Kong branch share registrar and transfer office of the Company, whose address is at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period commencing on the date falling six months preceding the date of the Rule 3.5 Announcement (i.e., January 5, 2021), and ending on the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.5 Announcement”	the joint announcement of the Company and the Offeror dated July 5, 2021 in relation to, among others, the Offer
“Sale Shares”	the 58,774,450 Shares held by Aimia, representing approximately 10.85% of the issued share capital of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Alternative”	1 Holdco Share which will be transferred to each Offer Shareholder who validly elects the Share Alternative for every Offer Share held by such Offer Shareholder and ranking <i>pari passu</i> with the other shares of the Holdco then in issue

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement in relation to City Lead and the Offeror dated March 29, 2020 between Forward Elite, Antfin, JCDI, CWG Fund, City Lead, and the Offeror which was amended and restated pursuant to an amendment and restatement agreement entered into by the foregoing parties on July 5, 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers published by the SFC
“United States” or “US”	the United States of America
“%”	per cent.

* *for identification purposes only*

LETTER FROM CLSA LIMITED AND CICC

Lead Financial Adviser to the Offeror



Joint Financial Adviser to the Offeror



August 3, 2021

To Shareholders:

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER BY
CLSA LIMITED AND CHINA INTERNATIONAL CAPITAL
CORPORATION HONG KONG SECURITIES LIMITED
FOR AND ON BEHALF OF
EVER HARMONIC GLOBAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CLEAR MEDIA LIMITED (OTHER THAN THOSE SHARES OWNED
OR AGREED TO BE ACQUIRED BY
EVER HARMONIC GLOBAL LIMITED OR PARTIES ACTING IN
CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Rule 3.5 Announcement issued by the Company and the Offeror in relation to, among others, the Offer and the announcement in relation to the appointment of the Independent Financial Adviser dated July 8, 2021.

This letter forms part of this Composite Document and sets out, among other things, the principal terms of the Offer, together with the information of the Offeror and the Offeror's intention regarding the Group. Further details of the terms of the Offer and procedures for acceptance are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Terms defined in this Composite Document have the same meaning when used in this letter.

THE OFFER

CLSA Limited and CICC are making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code for the Offer Shares in exchange for either:

- (a) the **Cash Alternative**: HK\$7.12 in cash for every Offer Share; or
- (b) the **Share Alternative**: 1 Holdco Share for every Offer Share.

LETTER FROM CLSA LIMITED AND CICC

The Offer Shareholders (all of which are Disinterested Shareholders) may elect the Cash Alternative or the Share Alternative (but not, for the avoidance of doubt, a combination of the two) as the form of Offer Consideration in respect of their entire holdings of Offer Shares. Failure to comply with this requirement of single consideration election would render the relevant Offer Shareholder's election of the Share Alternative being rejected and such Offer Shareholder will be deemed to have elected and will receive the Cash Alternative for all his/her/its interests in the Offer Shares tendered by that Offer Shareholder subject to the Offer becoming or being declared unconditional in all respects. Any Offer Shareholder who has returned a completed and executed Form of Acceptance but (a) does not make any election as to the Share Alternative or Cash Alternative; (b) makes an election of the Share Alternative which is not valid in accordance with the terms of the Offer (e.g. due to the same Offer Shareholder's election of the Cash Alternative); or (c) elects the Share Alternative and fails to submit all KYC Documents, will be deemed to have elected the Cash Alternative and will receive the Cash Alternative subject to the Offer becoming or being declared unconditional in all respects. For the avoidance of doubt, HKSCC Nominees Limited, who will take instructions from beneficial owners of the Shares regarding acceptance of the Offer, can specify a smaller number of Shares for electing the Cash Alternative than its registered holding.

For the purpose of ensuring accuracy of the registered ownership of the Holdco Shares and satisfying compliance requirements applicable to shareholders of a Cayman-incorporated company, only the registered Offer Shareholders i.e. those whose names appear on the register of members of the Company with physical share certificates are allowed to elect the Share Alternative. **If an Offer Shareholder holding Offer Shares via CCASS wishes to elect the Share Alternative, such Offer Shareholder is required to instruct his/her/its securities dealer/custodian banks to withdraw the Offer Share(s) from CCASS and arrange for the transfer of those Shares into his/her/its own name as soon as possible thereafter before the relevant deadline for election.**

To ensure the Offer Shareholders do not accept both the Cash Alternative and the Share Alternative, the Company will conduct a shareholder identification exercise pursuant to its power under Section 329 of the SFO. The result of such exercise will be shared with the Offeror in the form of a report (the "**S.329 Report**"). If, having considered the S.329 Report and other relevant information such as the register of members of the Company, the Offeror believes any Offer Shareholder has elected both the Cash Alternative and the Share Alternative in respect of all of the Offer Shares held by him/her/it, the Offeror has absolute discretion to reject the election for Share Alternative, in which case the Offer Shareholder will be deemed to have made an election for Cash Alternative in respect of all the Offer Shares held by him/her/it. Any decision of the Offeror in this regard shall be final and binding. An Offer Shareholder may be required by the Offeror to provide such additional information or documentary evidence for the purpose of confirming that such Offer Shareholder has elected Share Alternative in respect of all the Offer Shares held by him/her/it.

LETTER FROM CLSA LIMITED AND CICC

If, after the date of the despatch of this Composite Document, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cash Alternative and the Share Alternative by all or any part of the amount or value of such dividend, other distribution and/or, as the case may be, return of capital, in which case any reference in this Composite Document or any other announcement or document to the Offer Consideration will be deemed to be a reference to the Offer Consideration as so reduced.

The Offer Shares to be acquired under the Offer shall be fully paid and free from any Encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of this Composite Document).

The Company confirms that as at the Latest Practicable Date, it does not have (a) any declared but unpaid dividends; and (b) any intention to make, declare or pay any future dividend or make other distributions until after the close of the Offer.

The Offeror will not increase the Offer Consideration for the Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Consideration and the Offeror does not reserve the right to increase the Offer Consideration.

No fractions of a cent will be payable and the amount of cash consideration payable to the Offer Shareholders who have elected the Cash Alternative will be rounded down to the nearest cent.

The Cash Alternative

The cash consideration of HK\$7.12 per Offer Share under the Cash Alternative represents:

- (a) the same price as the closing price of HK\$7.12 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a premium of approximately 63.7% over the audited consolidated net asset value attributable to owners of the parent of the Company per Share of approximately HK\$4.35 as at December 31, 2020, based on the exchange rate of RMB1 to HK\$1.201).

Highest and Lowest Share Prices

Trading in the Shares on the Stock Exchange has been suspended since July 14, 2020. The closing price per Share as quoted on the Stock Exchange on the Last Trading Day was HK\$7.12.

The Share Alternative

The Holdco is an exempted company incorporated under the laws of Cayman Islands with limited liability with effect from May 26, 2021, whose registered office is at Vistra (Cayman) Limited of P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Holdco Shares are shares of an unlisted company in Cayman Islands, being an investment holding company. The Holdco does not have a principal office in Hong Kong.

As at the Latest Practicable Date, (i) the authorized share capital of the Holdco was US\$10,000 divided into 1,000,000,000 Holdco Shares of a par value of US\$0.00001, (ii) the Holdco has 63,944,974 shares in issue held by City Lead, equivalent to the total number of Shares held by the Offer Shareholders, and does not have any asset (except for the US\$639.44974 which was paid to the Holdco on May 26, 2021 for the subscription at par value of the 63,944,974 Holdco Shares currently held by City Lead) or liability (and, for the avoidance of doubt, does not hold any shares or securities in any entity), and (iii) the Offeror has 1 share in issue held by City Lead. City Lead will transfer such number of Holdco Shares to each Offer Shareholder validly electing the Share Alternative equal to the number of Shares tendered by it for acceptance under the Offer within seven Business Days after the later of (i) the date on which the Offer becomes, or is declared, unconditional in all respects and (ii) the date on which a duly completed acceptance of the Offer validly electing the Share Alternative and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent). The Holdco will repurchase the remaining shares of the Holdco (if any) held by City Lead which are not transferred to the Offer Shareholders at par value upon completion of the Offer such that the Holdco will be wholly-owned by the Offer Shareholders validly electing the Share Alternative.

For the purpose of the First Offer, apart from the First Offer External Financing that was for the benefit of Forward Elite¹, funding was provided in the form of a loan to the Offeror (via City Lead) by the shareholders of City Lead (the “**Internal Funding**”). As part of the terms of the Share Alternative, to ensure the Offeror does not owe any liabilities to City Lead by the close of the Offer, provided that (a) there is any Offer Shareholder accepting the Offer by validly electing the Share Alternative and (b) the Offer becomes unconditional in all respects, the Offeror will issue (i) 477,755,525 Offeror Shares to City Lead in consideration of the capitalization of City Lead’s Internal Funding to the Offeror and the fact that the First Offer External Financing was for the purpose of enabling Forward Elite to pay for its pro rata share of the consideration of the First Offer such that (together with the 1 Offeror Share held by City Lead as at the Latest Practicable Date)

¹ Since Forward Elite has not provided any actual funding for the First Offer and the Offer, the External Financing was and is for the purpose of enabling Forward Elite to pay for its pro rata share of the consideration of the First Offer and the Cash Alternative under the Offer. Although the External Financing was and is for the benefit of Forward Elite, the security for the External Financing, includes, amongst others, the charge of the Shares currently held by the Offeror and the Shares to be acquired by the Offeror under the Offer in favor of CNCBI, as mentioned under the section headed “Confirmation of financial resources” below. The charge of the Shares currently held by the Offeror and the Shares to be acquired by the Offeror under the Offer will affect the value of the Holdco Shares to be received by the Offer Shareholders who accept the Offer and validly elect the Share Alternative.

LETTER FROM CLSA LIMITED AND CICC

477,755,526 Offeror Shares will be held by City Lead by the end of the Offer; and (ii) such number of Offeror Shares to the Holdco equal to the number of Offer Shares tendered for the acceptance of the Share Alternative upon the close of the Offer as part of the consideration to be provided by the Offeror to acquire the Offer Shares tendered by the Offer Shareholders validly electing the Share Alternative (together with the Holdco Shares transferred by City Lead to the Offer Shareholders electing the Share Alternative), and such number of Offeror Shares to City Lead equal to the number of Offer Shares tendered for the acceptance of or to be compulsorily acquired with the Cash Alternative upon the close of the Offer, so as to ensure that the effective interest in the Company (via the Holdco and the Offeror) held by each of the Offer Shareholders validly electing the Share Alternative upon the close of the Offer will remain the same as his/her/its current shareholding percentage of the Company.

The 477,755,525 Offeror Shares to be issued to City Lead in consideration of the capitalization of City Lead's Internal Funding to the Offeror and any Offeror Shares that may be issued to City Lead upon the close of the Offer to ensure that the effective interest in the Company (via the Holdco and the Offeror) held by each of the Offer Shareholders validly electing the Share Alternative upon the close of the Offer will remain the same as his/her/its current shareholding percentage of the Company will be credited as fully paid up and rank *pari passu* with the existing 1 Offeror Share, and will be charged to CNCBI, together with the 1 Offeror Share held by City Lead as at the Latest Practicable Date.

For illustration, if all the Offer Shareholders validly elect the Share Alternative, a total of 63,944,974 Holdco Shares will be transferred to the Offer Shareholders by City Lead, and 63,944,974 and 477,755,525 Offeror Shares will also be issued to the Holdco and City Lead respectively. Thereafter, 11.80% of the Offeror Shares will be held by the Holdco which in turn will be wholly-owned by the Offer Shareholders electing the Share Alternative, and 88.20% of the Offeror Shares will be held by City Lead.

Upon the Offer becoming unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative, a professional corporate services firm (or its affiliate) which does not hold any Shares or Holdco Shares will be appointed as the sole corporate director of the Holdco.

Assuming all Offer Shareholders choose the Share Alternative, the Company will be a direct wholly-owned subsidiary of the Offeror and in turn held as to 88.20% by City Lead and 11.80% by the Holdco, and the value of each Holdco Share will primarily be determined by the value of the Offeror and the Company. The Company had a net asset value of approximately RMB1,960,827,000 attributable to Shareholders as at December 31, 2020 as disclosed in the audited consolidated financial results of the Group for the year ended December 31, 2020 (being approximately RMB3.62 per Share based on the total number of issued Shares as at December 31, 2020). The value of the Holdco Shares will also be affected by the indebtedness of the Offeror and the collateral granted by the Offeror to secure its existing financing arrangements. Details of the estimate of value of the Holdco Shares are set out in Appendix VI of this Composite Document.

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The Holdco Shares to be transferred from City Lead to the Offer Shareholders validly electing the Share Alternative pursuant to the Offer will be free from all encumbrances, credited as fully paid up and rank *pari passu* with each other. The Offeror Shares to be issued to the Holdco will be free from all encumbrances, credited as fully paid up and will rank *pari passu* with the existing Offeror Share at the date of issue and the 477,755,525 Offeror Shares to be issued to City Lead in consideration of the capitalization of City Lead's Internal Funding to the Offeror and any Offeror Shares that may be issued to City Lead upon the close of the Offer to ensure that the effective interest in the Company (via the Holdco and the Offeror) held by each of the Offer Shareholders validly electing the Share Alternative upon the close of the Offer will remain the same as his/her/its current shareholding percentage of the Company, as described above.

Rights and Obligations of Holdco as a shareholder of the Offeror

Subject to the Offer becoming or being declared unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative, upon the close of the Offer, shareholders of the Offeror, being City Lead and the Holdco, will have the following rights and obligations, and the Offeror shall be governed in the manner below pursuant to the articles of association of the Offeror:

- (1) The Offeror shall not, and each shareholder of the Offeror shall cause the Offeror not to, take any of the actions below or permit to occur, approve, authorise, agree, or undertake to do any of such actions without obtaining the prior written consent of each of City Lead and the Holdco (including their respective transferees whose transfers have been made in accordance with the articles of association of the Offeror):
 - (i) the dissolution, liquidation or winding-up of the Offeror;
 - (ii) the repurchase or redemption of the Offeror Shares by the Offeror;
 - (iii) issuance of any preferred shares or preferred securities by the Offeror;
 - (iv) establishment of a voting mechanism which would entitle certain shares of the Offeror to have different voting rights; and
 - (v) any material change to the nature of business of the Offeror and the Group as a whole

((i) to (v) collectively, the "**Veto Rights**").
- (2) Each shareholder of the Offeror will be offered a pre-emptive right to subscribe for any new Offeror Shares that may be issued by the Offeror in proportion to its shareholding percentage in the Offeror (the "**Pre-emptive Right**").
- (3) The Holdco will be offered a co-sale right to tag along any sale by City Lead of its Offeror Shares (the "**Co-sale Right**").

LETTER FROM CLSA LIMITED AND CICC

The directors of the Offeror may call a general meeting at any time they think fit. The directors of the Offeror must also call a general meeting if a requisition in writing is given by any shareholder or shareholders of the Offeror who together hold at least ten percent of the paid up voting share capital of the Offeror and deposited at the registered office of the Offeror specifying the objects of the meeting no later than 21 days from the date of deposit of the requisition signed by the requisitionists. If the directors of the Offeror do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.

The Offeror shall have up to five (5) directors. Ordinary resolution (which requires a simple majority of the shareholding in the Offeror present and voting at a general meeting of the Offeror) is required to appoint or remove directors of the Offeror. City Lead alone will have sufficient voting rights in the Offeror to pass such ordinary resolution. According to the Shareholders' Agreement, Forward Elite shall have the right to appoint two directors of the Offeror, while each of Antfin, JCDI and CWG Fund shall have the right to appoint one director of the Offeror. The Holdco will not be given any director appointment, nomination or removal rights in the Offeror.

The Offeror is obliged to apply any and all distributions received from the Company and any of its other subsidiaries towards satisfaction of the repayment of the External Financing, and shall not declare or pay any dividends or distributions, in each case unless and until the External Financing has been fully and finally repaid and discharged.

The articles of association of the Offeror will also provide the following:

- (1) The Offeror shall deliver to its shareholders:
 - (a) unaudited consolidated financial statements of the Offeror for the first six months of each financial year within three months after the end of such period;
 - (b) audited annual consolidated financial statements of the Offeror of each financial year within four months after the end of such financial year;
 - (c) a summary of the principal terms of any material transaction of the Offeror or any member of the Group outside of the ordinary and usual course of its business with any shareholder (or its affiliates) of City Lead, within 1 month after the date of such transaction being entered into; and
 - (d) a summary of the principal terms and a fairness opinion from an independent financial adviser in respect of any transaction involving acquisition or disposal of assets or businesses between (i) the Offeror or any member of the Group and (ii) any shareholder (or its affiliates) of City Lead, where the value of the total assets which is the subject of such transaction divided by the value of the total assets of the Offeror as

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shown in its latest audited or unaudited consolidated financial statements exceeds 5%, within 1 month after the date of such transaction being entered into;

(paragraphs (1)(a) to (1)(d) collectively, the “**Information Right**”).

- (2) Each shareholder of the Offeror will be entitled to a right of first refusal over the Offeror Shares held by any other shareholder of the Offeror (the “**Right of First Refusal**”), such that before a shareholder of the Offeror (the “**Selling Shareholder**”) transfers its Offeror Shares to any third party, the Selling Shareholder must offer its Offeror Shares, by way of a transfer notice, to the other Offeror shareholder on the same terms which the Selling Shareholder offers to or is offered by that third party. If the other Offeror shareholder does not wish to purchase such Offeror Shares within 10 business days following receipt of the transfer notice, the Selling Shareholder may transfer the Shares on no more favorable terms to such third party within 30 business days following the date of the transfer notice. In respect of the Holdco and any successor in title or transferee of the Offeror Shares held by the Holdco only, any direct or indirect transfer or sale of any equity securities of the Offeror (or any interest therein) held by the Holdco and any successor in title or transferee of the Offeror Shares held by the Holdco (including any transfer, sale or issuance of equity securities of the Holdco or such successor in title or transferee, and of any direct or indirect holder of equity securities of the Holdco or such successor in title or transferee) shall be deemed to be a transfer or sale of equity securities of the Offeror by the Holdco or such successor in title or transferee, and therefore will be subject to the Right of First Refusal of the other shareholder of the Offeror.
- (3) The Holdco shall not recognize, register or effect any transfer, sale or issuance of any Holdco Shares unless, before a shareholder of the Holdco (the “**Holdco Selling Shareholder**”) transfers its Holdco Shares (or before the Holdco issues any new Holdco Shares) to any third party, the Holdco Selling Shareholder (or the Holdco) has offered such Holdco Shares, by way of a transfer notice, to City Lead on the same terms which the Holdco Selling Shareholder (or the Holdco) offers to or is offered by that third party. If City Lead does not wish to purchase such Holdco Shares within 10 business days following receipt of the transfer notice, the Holdco Selling Shareholder may transfer the Holdco Shares (or the Holdco may issue such new Holdco Shares) on no more favorable terms to such third party within 30 business days following the date of the transfer notice, and only in such circumstances the Holdco may recognize, register or effect such transfer, sale or issuance of any Holdco Shares to such third party (the arrangement referred to in this paragraph (3) above being the “**City Lead Holdco Shares ROFR**”).

Any amendment to the articles of association of the Offeror may be effected by special resolution of the Offeror passed by at least two-thirds of the Offeror Shares as, being entitled to do so, voted in person or, where proxies are allowed, by proxy at a general meeting of the Offeror, provided that any such amendment which will have the effect of undermining the Veto Rights, the Pre-emptive Right, the Co-sale Right, the

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Information Right or the Right of First Refusal will require an affirmative vote or written consent of the holders of 95% or more of the Offeror Shares in issue at the relevant time.

Subject to the Offer becoming or being declared unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative, the amended and restated memorandum and articles of association of the Offeror will take effect and be in the form substantially similar to those set out in Appendix VII of this Composite Document.

Forward Elite Holdco Deed of Undertaking

As disclosed above, subject to the Offer becoming or being declared unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative, the articles of association of the Offeror will provide that unless and until the External Financing has been fully and finally repaid and discharged, (i) the Offeror shall not declare or pay any dividends or distributions, and (ii) the Offeror is obliged to apply any and all distributions received from the Company and any of its other subsidiaries towards satisfaction of the repayment of the External Financing.

To compensate the Holdco for its loss of its indirect pro rata share in any distributions from the Company which is applied by the Offeror to the repayment of the External Financing, Forward Elite will enter into the Forward Elite Holdco Deed of Undertaking with the Holdco upon the Offer becoming unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative. Under the terms of the Forward Elite Holdco Deed of Undertaking, if any funds of the Offeror (which would otherwise be available for distribution to City Lead and the Holdco) are used by the Offeror to repay the External Financing ("**Offeror Repayment**"), Forward Elite will undertake to pay the Holdco an amount equal to the Holdco's pro rata share (in proportion to its shareholding in the Offeror) of the relevant funds of the Offeror so used ("**Forward Elite Payables**"). The Forward Elite Payables may be repaid in any amount from time to time, provided that all Forward Elite Payables shall be repaid in full to the Holdco by no later than 18 months following the date of full repayment of the External Financing. Interest shall accrue on the Forward Elite Payables daily from the date on which each such payables are accrued up to (and including) the date of repayment of such payables (together with all accrued and unpaid interest), at the rate per annum equivalent to six percent (6%) per annum above HIBOR, calculated based on the actual number of days elapsed and a 360-day year consisting of 12 months of 30 days each. There is no time limit for the Holdco to distribute any proceeds of the Forward Elite Payables to the holders of the Holdco Shares. As disclosed in the section headed "Corporate Governance of the Holdco" of the Letter from CLSA Limited and CICC in this Composite Document, the Holdco does not have any dividend policy and there is no guarantee that any dividends will be paid by the Holdco nor is there any dividend payment schedule in respect of the Holdco Shares. It is up to board of the Holdco and the Holdco shareholders (i.e. the Offer Shareholders validly electing the Share Alternative) to decide how to handle the proceeds received from Forward Elite for the Forward Elite Payables in accordance with the corporate governance mechanism of the Holdco as described in the section headed "Corporate Governance of the Holdco" in the Letter from CLSA Limited and CICC in this Composite Document.

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Pursuant to the Forward Elite Holdco Deed of Undertaking, Forward Elite undertakes that the Forward Elite Payables shall rank *pari passu* in priority of payment with the Offeror Repayment Inter-Shareholder Loans. Forward Elite undertakes to pay a pro rata portion² of the outstanding Forward Elite Payables to the Holdco simultaneously with the repayment of any amount in satisfaction of Forward Elite's obligations under the Offeror Repayment Inter-Shareholder Loans.

For the avoidance of doubt, neither the term of the Forward Elite Holdco Deed of Undertaking nor Forward Elite's obligations thereunder is contingent upon Forward Elite's shareholding in City Lead. Therefore, even if Forward Elite ceases to be a shareholder of City Lead, the Forward Elite Holdco Deed of Undertaking will survive and Forward Elite will remain liable to repay any and all Forward Elite Payables as and when an Offeror Repayment is made.

Subject to the Offer becoming or being declared unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative, the amended and restated memorandum and articles of association of the Offeror and the Forward Elite Holdco Deed of Undertaking will take effect and be in the form substantially similar to those set out in Appendices VII and VIII respectively of this Composite Document.

Corporate Governance of the Holdco

Shareholders of the Holdco would have their rights and obligations in relation to the Holdco governed by the provisions of the articles of association of the Holdco, which will be in compliance with the Cayman Islands Companies Act and other applicable laws in the Cayman Islands (the place of incorporation of the Holdco).

In particular, shareholders of the Holdco will have the following rights and obligations, among others:

- (a) **Appointment and removal of directors.** As at the Latest Practicable Date, the sole director of the Holdco is Mr. Han Zi Jing, a director of the Offeror. Upon the Offer becoming unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative, Mr. Han Zi Jing will resign from the directorship of the Holdco and a professional corporate services firm (or its affiliate) which does not hold any Shares or Holdco Shares will be appointed as the sole corporate director of the Holdco. A director of the Holdco may be appointed or removed by ordinary resolution, provided that any such ordinary resolution of a duly constituted general meeting of the Holdco must be passed by a simple majority of the votes cast by, or on behalf of, the shareholders of the Holdco entitled to vote in favor of the resolution.

² "pro rata portion" means a fraction, the numerator of which is the total amount of the Offeror Repayment Inter-Shareholder Loans being repaid, and the denominator of which is the total amount of the Offeror Repayment Inter-Shareholder Loans outstanding at the time of such repayment.

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- (b) **Matters subject to Holdco shareholders' approval.** After the completion of the Offer, pursuant to the articles of association of the Holdco, a special resolution may be either (1) passed by a majority of not less than two-thirds of such Holdco Shares as, being entitled to do so, voted in person or, where proxies are allowed, by proxy at a general meeting of the Holdco of which notice specifying the intention to propose the resolution as a special resolution has been duly given, or (2) approved in writing by all of the shareholders entitled to vote at a general meeting of the Holdco. Matters requiring the authority of a special resolution include (but are not limited to):
- (1) to the extent authorized by the Cayman Islands Companies Act and the memorandum and articles of association of Holdco, amending the memorandum or articles of association of the Holdco;
 - (2) to the extent authorized by the Cayman Islands Companies Act and the memorandum and articles of association of Holdco, reducing the share capital and any capital redemption reserve fund of the Holdco;
 - (3) varying the redemption rights attached to a class of Holdco Shares;
 - (4) resolving to be registered by way of continuation in a jurisdiction outside the jurisdiction in which it is, for the time being, incorporated, registered or existing; and
 - (5) to the extent required by the Cayman Islands Companies Act and the memorandum and articles of association of Holdco, resolving to merge or consolidate the Holdco.
- (c) **Distributions.** Shareholders of the Holdco are entitled to receive notice of and attend general meetings of the Holdco and shall have the right to one vote per each Holdco Share at such meetings. There is no dividend policy and no guarantee that any dividends will be paid, nor is there any dividend payment schedule, in respect of the Holdco Shares. The board of directors of the Holdco may from time to time declare dividends and distributions on shares of the Holdco outstanding and authorise payment of the same out of the funds of the Holdco lawfully available, and the Holdco may declare dividends by ordinary resolution (up to a maximum amount as recommended by the board of directors of the Holdco), provided that any such ordinary resolution of a duly constituted general meeting of the Holdco must be passed by a simple majority of the votes cast by, or on behalf of, the shareholders of the Holdco entitled to vote in favor of such resolution. Payment of dividends (if any) is dependent on such payment being recommended or declared by the board of directors of the Holdco.
- (d) **Transfer of shares.** Subject to the City Lead Holdco Shares ROFR being complied with, the Holdco shall, on receipt of an instrument of transfer, enter the name of the transferee of the Holdco Shares in the register of shareholders.

- (e) **Requisition of general meetings.** After completion of the Offer, the directors of the Holdco may call a general meeting at any time they think fit. The directors of the Holdco must also call a general meeting if a requisition in writing is given by any shareholder or shareholders of the Holdco who together hold not less than one-tenth of the paid up share capital of the Holdco and deposited at the registered office of the Holdco specifying the objects of the meeting no later than 21 days from the date of deposit of the requisition signed by the requisitionists. If the directors of the Holdco do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.

Further details of the rights of the shareholders of the Holdco are set out in Appendix IX of this Composite Document. A copy of the articles of association of each of the Holdco and the Offeror are available for inspection as a document on display at the time of despatch of this Composite Document.

Risk factors of holding the Holdco Shares

Investors should be aware of, among other things but not limited to, the following risk factors of holding the Holdco Shares:

- **Holdco Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules. There is also no intention to seek a listing of the Holdco Shares (or the business of the Company) on any stock exchange, whether locally or in another jurisdiction;**
- **the value of Holdco Shares will take account, among other things, of (i) the indebtedness of the Offeror through which the Company's shares are held, and (ii) the collateral granted by the Offeror to secure the External Financing, amongst others. For more details, please refer to the section headed "Confirmation of financial resources" below;**
- **section 4.1 of the Introduction to The Codes on Takeovers and Mergers and Share Buy-backs provides that The Codes on Takeovers and Mergers and Share Buy-backs apply to takeovers, mergers and share buy-backs affecting, among others, public companies in Hong Kong and section 4.2 of the Introduction to The Codes on Takeovers and Mergers and Share Buy-backs provides that in order to determine whether a company is a public company in Hong Kong, the Executive will take into account the number of Hong Kong shareholders and the extent of share trading in Hong Kong and other factors. If the Holdco is determined by the Executive to be a "public company in Hong Kong", the Holdco will be subject to The Codes on Takeovers and Mergers and Share Buy-backs;**

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- **Holdco Shares are illiquid and are subject to the City Lead Holdco Shares ROFR, hence the shareholders of the Holdco may find it more difficult to find a purchaser for the Holdco Shares if they intend to sell their shares, as there is less likely a ready market for Holdco Shares;**
- **there is no guarantee that any dividend payments will be paid in respect of Holdco Shares;**
- **as at the Latest Practicable Date, the Holdco does not have any assets or liabilities, except the US\$639.44974 which was paid to the Holdco for the subscription at par value of the 63,944,974 Holdco Shares currently held by City Lead. The Holdco does not intend to engage in any business other than acting as the holding company of the Offeror Shares after completion of the Offer;**
- **changes in the business and economic environment could adversely affect the operating profits of Holdco (if any) or the value of Holdco's assets. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events could contribute to Holdco's risks; and**
- **general business risks associated with the Group and the outdoor advertising industry including but not limited to:**
 - (1) **the revenue of the Group largely relies on the sales of advertising space, as such, the Group's revenue depends on the overall outdoor advertising market which can fluctuate significantly based on economic conditions;**
 - (2) **the Group faces increasing competition from other outdoor advertising companies, and from other forms of advertising, such as television, broadcast radio, magazines, newspapers and online advertisements, which could affect the Group's business performance;**
 - (3) **the Group operates in an industry in which there is a high concentration of customers. In the event that there is any substantial reduction in the appetite for advertising by a small number of key customers, the Group's revenue may be significantly affected;**
 - (4) **the Group's business depends on its ability to obtain and retain concessions granted by entities authorized by local authorities in the PRC in the cities which the Company operates. Such concessions could be terminated by the entities authorized by local authorities upon giving reasonable notice. If the Group were to lose its existing concessions, it could have a material adverse effect on its business, results of operations and financial conditions;**

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- (5) the PRC government censors advertising content and imposes liability on advertising companies for publishing advertising content which is in breach of certain regulations, which may limit the Group's business operations;
- (6) the business operations of the Group is dependent on policies related to the advertising in the PRC, and additional regulations may be imposed on the outdoor advertising in China in the future. Changes in laws and regulations governing the content of outdoor advertising, issuance of business licenses or otherwise affecting outdoor advertising in China may have a material adverse effect on the Group's business operations;
- (7) the Group's business performance may be affected by external political factors, such as international trade sanctions, which have resulted in slowdown in economic development in the PRC and may result in deterioration in the Group's operating environment;
- (8) the Group's bus shelter and billboard concessions are its principal assets, which are intangible in nature, but commercial banks in the PRC generally require security in the form of tangible assets such as cash deposits and real property as a condition for granting loans. In the event the Group is unable to identify such a bank willing to accept the concessions as collateral, the Group may need to use cash or other assets as collateral for its financing needs and this may limit the Group's ability to borrow or raise its cost of capital; and
- (9) a significant portion of the Group's total revenue is attributable to the Group's sales to its connected companies. The Group may face potential conflicts of interests in connection with the enforcement and performance of these sales agreements, in particular, where a dispute arises in connection with the aforementioned agreements.

Further details of the terms of the Offer and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Value of the Offer

As at the Latest Practicable Date, there are 541,700,500 Shares in issue. There are no other outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the Latest Practicable Date.

On the assumption that all the Offer Shareholders elect the Cash Alternative, the value of the Offer is approximately HK\$455 million.

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Confirmation of financial resources

The Offeror intends to finance the Cash Alternative by way of the Offer External Financing. The Offeror has entered into the second deed of amendment to the CNCBI Facility Agreement on July 2, 2021, pursuant to which, CNCBI has agreed to provide to the Offeror secured loan facility with an aggregate commitment amount of up to HK\$465,204,760.46 with a maturity period of 60 months from the date of the first utilization of the term loan facility under the CNCBI Facility Agreement for the First Offer, which was May 11, 2020, and the loan amount of which carries interest of up to 3 per cent. above HIBOR (subject to adjustments pursuant to financial covenants) for the Offer.

As security for the External Financing, (i) the Offeror is required to continue to charge the Shares currently held by it, and is required to charge the Shares to be acquired by it under the Offer in favor of CNCBI, (ii) City Lead is required to continue to charge all Offeror Shares held by it in favor of CNCBI, (iii) Forward Elite is required to continue to charge all of its shares in City Lead in favor of CNCBI and (iv) if the Company is delisted from the Stock Exchange and to the extent permitted under the applicable laws, the Offeror is required to procure a charge over the shares in offshore material subsidiaries of the Group and a debenture over the assets of offshore material subsidiaries of the Group, in each case with CNCBI acting as the security agent for the Lenders of the External Financing. In addition, Mr. Han Zi Jing has provided a personal guarantee in favor of CNCBI as the agent for the Lenders of the External Financing, and each of Forward Elite and City Lead has provided a corporate guarantee in favor of the Lenders of the External Financing, in respect of all amounts due under the External Financing. The Investor Shareholders, the Holdco and the Offer Shareholders validly electing the Share Alternative (i.e. those who would ultimately become the shareholders of the Holdco) are not required to provide any security or guarantee in respect of the External Financing, except that each of Antfin and JCDI has provided comfort letters to CNCBI as agent for the Lenders of the External Financing as credit support. Save for the 6,000 Shares held by CNCBI for non-discretionary clients, none of the other securities in the Company was held by CNCBI or any other Lenders.

The payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend on the business of the Group. Pursuant to the terms of the External Financing, the Offeror is obliged to apply any and all distributions received from the Company and any of its other subsidiaries towards satisfaction of the repayment of the External Financing. To compensate the Holdco for its loss of its indirect pro rata share in any distributions from the Company which is applied by the Offeror to the repayment of the External Financing, Forward Elite will enter into the Forward Elite Holdco Deed of Undertaking with the Holdco upon the Offer becoming unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative. For more details, please refer to the section headed "THE OFFER — Forward Elite Holdco Deed of Undertaking" in this letter.

CLSA Capital Markets and CICC, as the financial advisers to the Offeror in respect of the Offer, are satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Conditions of the Offer

The Offer is conditional upon the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Offer having being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror holding at least 95% of the total issued share capital of the Company with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares;
- (b) no event having occurred which would make the Offer or the acquisition of any of the Offer Shares void, unenforceable or illegal or prohibit the implementation of the Offer or would impose any additional material conditions or obligations with respect to the Offer or any part thereof; and
- (c) no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Offer or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Offer or its implementation in accordance with its terms).

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above. As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived.

As the Offeror already holds 88.20% of the total issued share capital of the Company and Aimia holds approximately 10.85% of the total issued share capital of the Company (which is equivalent to approximately 91.91% of the Disinterested Shares) as at the date of this Composite Document, Condition (a) as set out above will be satisfied (and the Offer will become unconditional as to acceptances) once Aimia tenders the Sale Shares for acceptance of the Offer.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke Condition (b) or (c) so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Offer.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer becomes unconditional in all respects. The Offer must also remain open for acceptance for at least 14 days after the Offer has become unconditional (whether as to acceptances or in all respects). Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period.

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IRREVOCABLE UNDERTAKING

On July 3, 2021, Aimia, who holds 58,774,450 Shares as at the Latest Practicable Date, representing approximately 10.85% of the total issued share capital of the Company and approximately 91.91% of the Disinterested Shares, gave an undertaking in favor of the Offeror, pursuant to which Aimia has irrevocably undertaken to the Offeror to accept the Offer in respect of all of the Sale Shares, by election of either the Share Alternative or the Cash Alternative in respect of all of the Sale Shares, within seven Business Days following the date of despatch of this Composite Document.

Aimia is entitled to terminate the Irrevocable Undertaking if this Composite Document fails to be despatched within the required period in accordance with the requirements of the Takeovers Code or within such longer period as the Offeror may (with the consent of the Executive) determine (the “**Termination Event**”).

In the event of the occurrence of the Termination Event, the Irrevocable Undertaking shall lapse and be of no further force and effect, and Aimia shall have no claim against the Offeror.

As the Offeror already holds 88.20% of the total issued share capital of the Company and Aimia holds approximately 10.85% of the total issued share capital of the Company (which is equivalent to approximately 91.91% of the Disinterested Shares) as at the Latest Practicable Date, Condition (a) as set out in the section headed “Conditions of the Offer” of this letter will be satisfied (and the Offer will become unconditional as to acceptance) once Aimia tenders the Sale Shares for acceptance of the Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the Latest Practicable Date is set out below:

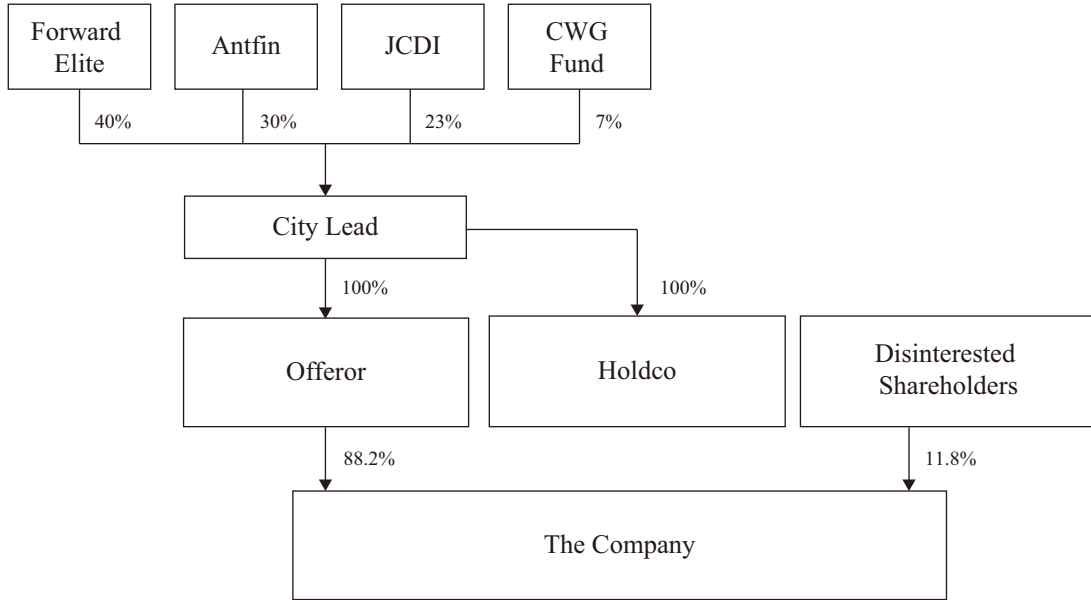
Shareholders	As at the Latest Practicable Date	
	Number of Shares	Approximate percentage of Shareholding
Offeror and parties acting in concert with it	477,755,526	88.20%
<i>Disinterested Shareholders</i>		
Aimia (Note 1)	58,774,450	10.85%
Other public Shareholders	5,170,524	0.95%
Total	541,700,500	100.00%

Note:

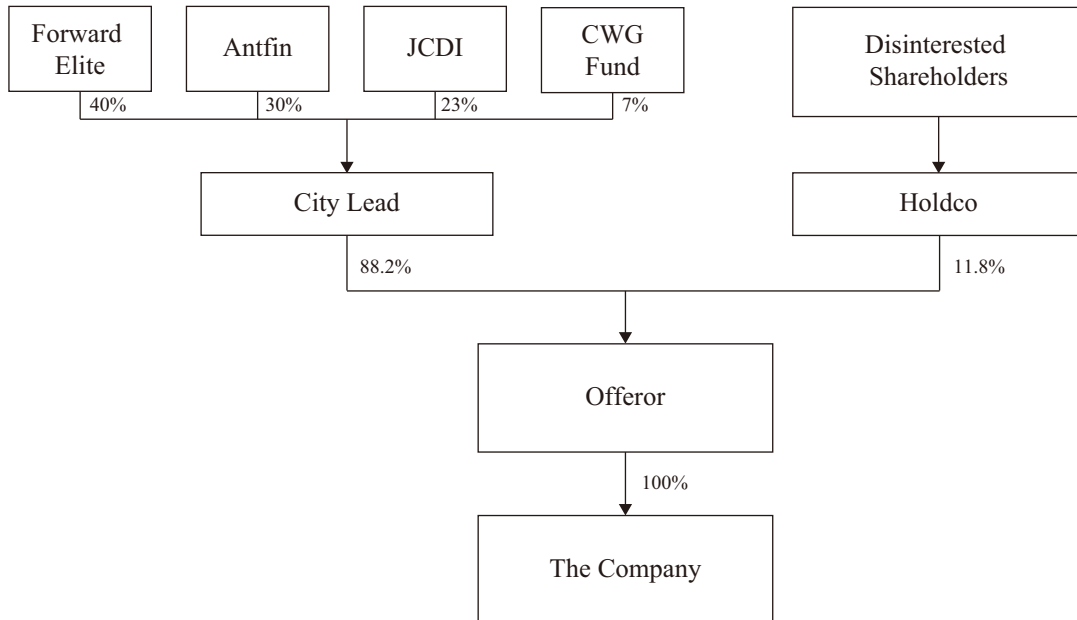
1. Based on its latest disclosure of interest filings pursuant to Part XV of the SFO.

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As at the Latest Practicable Date, the shareholding structure of the Company and the Holdco is as set out below:

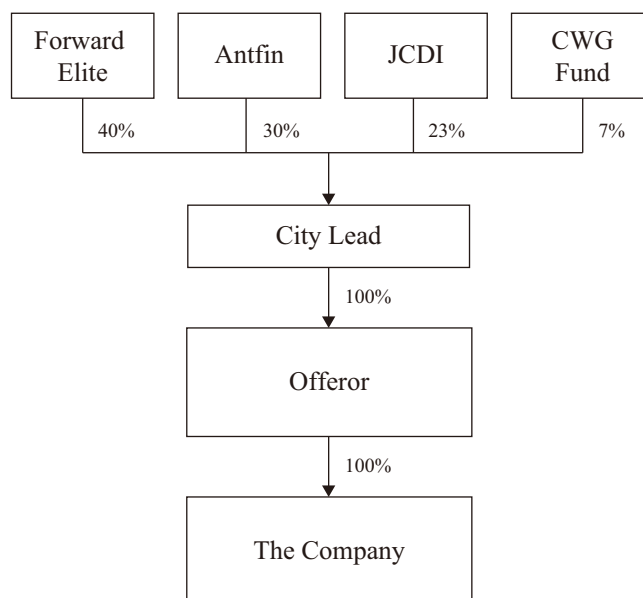


Assuming all the Offer Shareholders choose the Share Alternative, the shareholding structure of the Company will be as set out below immediately after the completion of the Offer and the repurchase by the Holdco from City Lead of any Holdco Shares not transferred to the Offer Shareholders:



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Assuming all the Offer Shareholders choose the Cash Alternative, the shareholding structure of the Company will be as set out below:



Interests of the Offeror and Parties Acting in Concert with it in the Shares

As at the Latest Practicable Date, the Offeror owned 477,755,526 Shares, representing approximately 88.20% of the issued share capital of the Company.

Save as aforesaid, as at the Latest Practicable Date, none of the Offeror and parties acting in concert with it owned, controlled or had direction over any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the Cayman Islands with limited liability and is wholly owned by City Lead, which is held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund.

The Offeror has not carried on any business since incorporation other than matters in connection with the First Offer and the Offer. The Offeror does not intend to engage in any business other than acting as the holding company of the Company after completion of the Offer. As at June 30, 2021, the Offeror had the following assets and liabilities in addition to certain cash and working capital balances:

Assets: 477,755,526 Shares, which are charged to CNCBI

Liabilities: (i) the Internal Funding (which will be capitalized by issuing new Offeror Shares to City Lead upon the Offer becoming unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative as mentioned under the section headed "The Share Alternative") and (ii) the First Offer External Financing and its related interest

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Forward Elite is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Han Zi Jing.

Antfin is an investment holding company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Ant Group. Ant Group is a company incorporated in the PRC and provides digital payment services, digital financial services and digital daily life services for consumers and small and micro businesses in China and across the world. As at the Latest Practicable Date, Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (杭州君瀚股權投資合夥企業(有限合夥)) (“**Hangzhou Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership) (杭州君澳股權投資合夥企業(有限合夥)) (“**Hangzhou Junao**”) hold approximately 29.86% and 20.66% (together approximately 50.52%) of Ant Group’s total issued shares, respectively. Hangzhou Yunbo Investment Consulting Co., Ltd. (杭州雲銷投資諮詢有限公司) (“**Hangzhou Yunbo**”) is the executive partner and general partner of, and controls, Hangzhou Junhan and Hangzhou Junao. Mr. Jack Ma holds a 34% equity interest in Hangzhou Yunbo and each of Mr. Eric Jing, Mr. Simon Xiaoming Hu and Ms. Fang Jiang holds a 22% equity interest in Hangzhou Yunbo. Pursuant to a concert party agreement entered into between them and the articles of association of Hangzhou Yunbo, Mr. Jack Ma has ultimate control over Ant Group.

JCDI is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of JCDecaux, a company incorporated in France and listed on Euronext Paris (stock code: DEC). JCDecaux Group is the premium outdoor advertising corporation in the world and a multinational corporation headquartered in France.

CWG Fund is an exempted limited partnership registered under the laws of the Cayman Islands, principally engaged in investment holding, whose general partner is JT China Wealth Management Limited (which is wholly-owned by Empyrean Management (Hong Kong) Limited) (九天管理(香港)有限公司) and whose sole limited partner is Empyrean Management (Hong Kong) Limited, which is in turn wholly-owned by JIC Capital Management (Tianjin) Limited, a PRC state-owned enterprise, and is indirectly wholly-owned by Central Huijin Investment Ltd, a PRC state-owned enterprise, and is principally engaged in private equity investment.

SHAREHOLDERS’ AGREEMENT

On March 29, 2020, Forward Elite, Antfin, JCDI, CWG Fund, City Lead, and the Offeror entered into the Shareholders’ Agreement which was amended and restated pursuant to an amendment and restatement agreement entered into by the foregoing parties on July 5, 2021, pursuant to which they have agreed, amongst other things, that:

(a) Corporate Governance

Certain material actions and decisions of City Lead, the Holdco, the Offeror and the Group Companies, including any material decisions relating to the Offer, changes in share capital, changes in constitutional documents, liquidation of any of the relevant entities, declaration and payment of dividends, entry into related party transactions, and approval or amendment to equity incentive plans, shall not be made without obtaining the prior

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written consent of each of Forward Elite, Antfin, JCDI, and CWG Fund, provided that, (i) with respect to the actions and decisions of the Group Companies, such requirements shall be subject to compliance with the Listing Rules until the Company becomes delisted from the Stock Exchange, and (ii) with respect to the actions and decisions of the Holdco, such requirements shall cease to apply in the event that City Lead holds, directly or indirectly, 50% or less of the total issued share capital of the Holdco.

Each of City Lead and the Offeror shall have up to five (5) directors, of which Forward Elite shall have the right to nominate two (2) directors, Antfin shall have the right to nominate one (1) director, JCDI shall have the right to nominate one (1) director and CWG Fund shall have the right to nominate one (1) director.

Subject to compliance with the applicable laws (including the Takeovers Code and the Listing Rules), for so long as the Company remains listed on the Stock Exchange, the parties to the Shareholders' Agreement shall procure that the Company shall have a Board of Directors consisting of eight (8) Directors, of which (a) Forward Elite shall have the right to nominate two (2) Directors, (b) Antfin shall have the right to nominate one (1) Director, (c) JCDI shall have the right to nominate one (1) Director, (d) CWG Fund shall have the right to nominate one (1) Director, and (e) three (3) Directors shall be independent non-executive Directors nominated and appointed in accordance with the Listing Rules.

As soon as practicable following the date on which the Company becomes delisted from the Stock Exchange, the parties to the Shareholders' Agreement shall cause the board of directors of each company in the Group (unless the parties agree otherwise) to be constituted in the same manner as the board composition for City Lead and the Offeror as described above.

As at the Latest Practicable Date, Mr. Han Zi Jing, Ms. Junrong Zhao, Mr. Chen Liang, Mr. Stephen Hon Chiu Wong and Ms. Fei Fei Shum are the directors of each of the Offeror and City Lead.

(b) Pre-emptive rights

Each of Forward Elite, Antfin, JCDI and CWG Fund shall have customary pre-emptive rights in respect of issuance of new securities by City Lead.

(c) Inter-shareholder lending

Since Forward Elite has not provided any actual funding for the First Offer and the Offer, the Shareholders' Agreement provides that, as amongst Forward Elite and the Investor Shareholders, Forward Elite shall be responsible for providing funds for repayment of the External Financing.

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To the extent that the Offeror uses any of its funds (which were originally available for distribution to City Lead and ultimately the shareholders of City Lead) to repay the External Financing, the Shareholders' Agreement provides that Forward Elite shall be deemed to have loaned from each Investor Shareholder an amount equal to that Investor Shareholder's pro rata share of the relevant funds of the Offeror (determined based on (i) its shareholding in City Lead multiplied by (ii) City Lead's shareholding in the Offeror) (the "**Offeror Repayment Inter-shareholder Loans**", and together with the Initial Funding Inter-shareholder Loans, the "**Inter-shareholder Loans**"). All Offeror Repayment Inter-shareholder Loans shall be repaid in full by no later than 18 months following the date of full repayment of the External Financing. Interest shall accrue on all Offeror Repayment Inter-shareholder Loans daily from the date on which each such loans are accrued up to (and including) the date of repayment of such loans (together with all accrued and unpaid interest), at the rate per annum equivalent to six percent (6%) per annum above HIBOR, calculated based on the actual number of days elapsed and a 360-day year consisting of 12 months of 30 days each.

In the event of default in any repayment of the Inter-shareholder Loans, the Investor Shareholders may (subject to the security documents under the External Financing) require Forward Elite to sell the shares in City Lead held by it and its affiliates, and to apply the proceeds of such sale towards satisfaction of any outstanding amount under the Inter-shareholder Loans and the Forward Elite Payables on a pro-rata basis based on the total outstanding amount of all Inter-shareholder Loans and Forward Elite Payables.

(d) Transfer of shares

None of Forward Elite, Antfin, JCDI and CWG Fund may transfer any of its shares in City Lead to any person at any time prior to the expiry of the offer period (as defined under the Takeovers Code), or the completion of the compulsory acquisition process (if the compulsory acquisition right is exercised) (the "**Lock-Up Period**").

Following the expiry of the Lock-Up Period:

- (i) any transfer of shares in City Lead by any of its shareholders shall not be made to certain restricted persons (unless the prior written consent of the relevant shareholder(s) has been obtained), and shall be subject to customary rights of first refusal of the other shareholders;
- (ii) Forward Elite and its affiliates shall remain the single largest shareholder of City Lead and their shareholding shall remain no less than 30% immediately following completion of any transfer of shares in City Lead by Forward Elite or its affiliates;
- (iii) any transfer of shares in City Lead by Forward Elite prior to the full repayment of the External Financing and the Inter-shareholder Loans shall require the prior written consent of Antfin and JCDI unless (A) such transfer is made on a bona fide basis and the full amount of the proceeds of such transfer shall be applied towards the repayment of such External Financing and the Inter-shareholder Loans or (B) such transfer is made to a permitted transferee of Forward Elite;

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- (iv) any transfer of shares in City Lead by Forward Elite following the full repayment of the External Financing and the Inter-shareholder Loans, to the extent that the other shareholders have not exercised their respective rights of first refusal, shall be subject to co-sale rights of such other shareholders;
- (v) any transfer of shares in City Lead by Antfin, to the extent that the other shareholders have not exercised their respective rights of first refusal and JCIDI has not exercised its right of first refusal, shall be subject to co-sale rights of JCIDI; and
- (vi) any transfer of shares in City Lead by JCIDI, to the extent that the other shareholders have not exercised their respective rights of first refusal and Antfin has not exercised its right of first refusal, shall be subject to co-sale rights of Antfin.

The aforementioned rights of first refusal and co-sale rights shall not apply in respect of (i) the transfer of shares to a permitted affiliate, (ii) the transfer of shares by Forward Elite to any eligible person as determined by Forward Elite and approved by each of Forward Elite, Antfin, JCIDI and CWG Fund from time to time, provided that Mr. Han Zi Jing remains the single largest shareholder of Forward Elite following completion of such transfer, and Forward Elite remains the single largest shareholder of City Lead with a shareholding of no less than 30%, (iii) the transfer of shares pursuant to requirements under the security documents of the External Financing (provided that the rights of first refusal shall continue to apply to such transfer) or (iv) the transfer of shares pursuant to requirements under any Inter-shareholder Loan.

(e) Abstention from voting

Each of Forward Elite, Antfin, JCIDI and CWG Fund shall, as the case may be, abstain from voting in the general meeting of City Lead and cause its nominees appointed to the board of directors of City Lead to abstain from voting in the board meeting of City Lead in any material transaction concerning City Lead, the Offeror or the Group in which it (or its affiliate) has a material interest other than transactions carried out in the ordinary course of business of the Group.

INFORMATION ON THE GROUP

Principal activities

The Company operated the most extensive standardized bus shelter advertising network in Mainland China, with a total of more than 59,000 panels covering 24 cities as at December 31, 2020.

Your attention is drawn to the details of the information of the Group as set out under the section headed "Information of the Company" in the "Letter from the Board" and information set out in Appendices II and IV to this Composite Document.

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INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

It is the intention of the Offeror that the existing business of the Group shall continue unaffected, notwithstanding the Offer. Subject to the Group's business needs and prevailing market conditions, the Offeror may explore business opportunities to develop the existing business of the Group. As at Latest Practicable Date, the Offeror had not identified any such business opportunities. The Offeror has no intention to (i) discontinue the employment of any employees of the Group (other than those in its ordinary and usual course of business); (ii) redeploy the fixed assets of the Group (other than those in its ordinary and usual course of business); or (iii) introduce any major changes in the existing operations and business of the Group. There is also no intention to seek a listing of the Holdco Shares (or the business of the Group) on any stock exchange, whether locally or in another jurisdiction.

REASONS FOR AND BENEFITS OF THE OFFER

On March 30, 2020, the Offeror and the Company jointly announced that CLSA Limited and CICC, for and on behalf of the Offeror, would make a voluntary conditional cash offer to acquire all of the shares in the entire issued share capital of the Company, and to cancel all outstanding options granted by the Company. The offer price of HK\$7.12 under the First Offer, representing a premium of approximately 50.21% and 39.61% over the closing prices of HK\$4.74 and HK\$5.10 per Share as quoted on the Stock Exchange on November 29, 2019 (the last trading day prior to the publication of the announcement pursuant to Rule 3.7 of the Takeovers Code in relation to the First Offer) and the last trading day of the announcement pursuant to Rule 3.5 of the Takeovers Code in relation to the First Offer respectively, was closed on July 13, 2020.

At the close of the First Offer, there were 63,944,974 Shares that were not owned by the Offeror, representing approximately 11.80% of the total issued share capital of the Company. As the level of acceptance had not reached the prescribed thresholds under the Bermuda Companies Act and Rule 2.11 of the Takeovers Code, the Offeror was unable to effect the compulsory acquisition of the Offer Shares, and the Company remains listed on the Stock Exchange.

The First Offer achieved an overwhelming acceptance rate of 88.20% of the total number of issued Shares (including 1.22% of the total number of issued Shares originally held by Mr. Han Zi Jing, the sole shareholder of Forward Elite). The Offeror has reasons to believe that the offer price of HK\$7.12 for the Shares under the First Offer was highly attractive to the vast majority of the then Shareholders. Despite the attractiveness of the offer price, and that the First Offer was made available for acceptance over a period of 78 days, the Offeror did not receive acceptance from the Offer Shareholders.

In order to further increase the attractiveness of the Offer to the Offer Shareholders, both the Cash Alternative and the Share Alternative are offered. The Offer provides each of the Offer Shareholders an option, as an alternative to accepting cash, to remain as indirect Shareholders.

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For the Company: an endeavor to facilitate a necessary transformation of the business in a challenging environment for the outdoor advertising industry

The Company's core business, as operator of the most extensive standardized bus shelter advertising network in Mainland China, has faced significant challenges in recent years. Demand for outdoor advertising in particular has declined substantially, particularly among clients in the e-commerce and digital products sectors. Outdoor advertising is considered to be one of the oldest forms of promotion, and as digital media have increased in popularity in recent years, outdoor advertising has faced intense competition from digital and online advertising. These trends have created a challenging operating environment in which the Group's customers have exercised considerable caution in setting their operating budgets, resulting in persistent late confirmation or last-minute cancellation of orders. Overall, the Group is facing major structural and operational challenges in its existing business model.

Although the Group has explored a range of initiatives to respond to these challenges, the Company's financial performance has deteriorated. Revenue decreased by 28.4% from RMB1,446 million for the year ended 31 December 2019 to RMB1,036 million for the year ended December 31, 2020, and net loss attributable to owners of the parent of the Company increased from a net loss of RMB87 million for the year ended December 31, 2019 to a net loss of RMB247 million for the year ended December 31, 2020. The net loss is mainly due to a combination of the substantial decline in the Group's revenue amid the outbreak of COVID-19 and the Group's relatively high fixed costs. At the same time, the Shares' trading volume were generally low during the 12 months before the Last Trading Day, with an average trading volume of approximately 1,166,406 Shares per trading day, representing 0.22% of the issued share capital of the Company.

In order for the Group to remain competitive in the face of these challenges, it must inevitably restructure and transform its business model, which will require significant investment over a number of years, as well as a highly motivated workforce. Given the downward trend in the Company's Share price and low liquidity in the Shares prior to trading in the Shares was suspended on July 14, 2020, the listed status of the Company is no longer a viable source of funding for the necessary investments. Moreover, given low liquidity in the Shares, any employee option incentive schemes would not be sufficiently effective for acquisition and retention of talent.

The Offeror, with the support of its shareholders, plans to promote the Company's restructuring and transformation through intensive collaboration with the Company on exploration of new development opportunities and implementation of a series of long-term growth measures. The planned growth measures include expansion of the Company's sales and marketing resources and acquisition of additional bus shelter concession rights, which will require the Company to incur significant expenses and capital expenditures, squeezing its profit margin and affecting its growth profile in the short to medium term. If the Company were to implement these measures while remaining listed, investors' views of the Company's share price would likely diverge from the Company's view of its potential long-term value. Following the implementation of the Offer and the privatization of the Company (if successful), the Offeror and the Company have flexibility to structure employee compensation in a more optimal manner, and they

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will be able to make strategic investment decisions focused on realization of the Company's potential long-term value, free from the pressure of market expectations and the share price fluctuations otherwise associated with the status of a publicly listed company.

For the Shareholders: an attractive opportunity to monetize their investment in the Company, which has low trading liquidity, at a compelling premium in view of industry headwinds and execution risks

If the Company were to implement its planned long-term growth measures while remaining listed, the resulting short to medium-term pressure on the Company's profit margins and financial performance could have a significant adverse effect on the Company's Share price.

As a result of the First Offer, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules has not been, satisfied and trading in the Shares has been suspended, since July 14, 2020. Despite the Offeror's endeavours to restore the public float of the Company (including its continuous engagement with potential investors from various industries), the Offeror has not agreed any investment terms with any of the potential investors yet as at the Latest Practicable Date. The illiquidity caused by the trading suspension of the Shares is not in the interest of the Offer Shareholders.

The Offer, in contrast, provides an opportunity for Offer Shareholders to monetize their investments in the Company immediately for cash without any downward pressure on the Share price, and therefore allows Shareholders a chance to redeploy their capital into other investment opportunities that they may consider more attractive in the current environment.

The Offer also provides the Offer Shareholders, through the election of the Share Alternative, with an opportunity to remain invested in the Company.

LISTING STATUS AND POSSIBLE COMPULSORY ACQUISITION

Pursuant to Section 102(1) of the Bermuda Companies Act, if the Offer has, within four months after the making of the Offer (that is, the despatch of this Composite Document), been approved (in this case, by way of accepting the Offer) by the Shareholders of not less than nine-tenths in value of the Shares other than the Shares already held at the date of the offer by, or by a nominee for, the Offeror or its subsidiary, provided that such Shareholders are not less than three fourths in number of the holders of those Shares, the Offeror may, at any time within two months beginning with the date on which such approval is obtained, give notice of compulsory acquisition to any dissenting Shareholder that it desires to acquire the Shares held by such dissenting Shareholder. If such notice of compulsory acquisition is given, the Offeror shall, unless the Court orders otherwise, be entitled and bound to acquire the Shares held by the dissenting Shareholder(s) on the same terms as other Shares are acquired under the Offer. Any dissenting Shareholder may apply to the Court to object to the proposed compulsory acquisition within one month from the date on which the notice of compulsory acquisition is given.

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Pursuant to Section 103(1) of the Bermuda Companies Act, a holder of not less than 95% of the issued Shares may give a notice of compulsory acquisition to the remaining Shareholders of its intention to acquire their Shares on the terms set out in the notice. When such notice of compulsory acquisition is given, such holder will be entitled and bound to acquire the Shares from the remaining Shareholder(s) unless any remaining Shareholder applies to the Court for an appraisal. If the Offeror acquires further Shares (whether pursuant to the Offer or otherwise) such that it holds not less than 95% of the issued Shares, the Offeror will be entitled to give such notice of compulsory acquisition.

If the level of acceptances of the Offer Shares (or the Offeror's holding of the total issued share capital of the Company) reaches the prescribed thresholds under Section 102(1) (or Section 103(1)) of the Bermuda Companies Act and not less than 90% of the Disinterested Shares are validly tendered for acceptance within the Compulsory Acquisition Entitlement Period, the Offeror will be entitled to exercise its right under Section 102(1) or Section 103(1) of the Bermuda Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror or parties acting in concert with it under the Offer. The Offeror intends (but is not obliged) to exercise its right under Section 103(1) instead of Section 102(1) of the Bermuda Companies Act.

Pursuant to Rule 15.6 of the Takeovers Code, where the Offeror has stated in this Composite Document its intention to avail itself of any powers of compulsory acquisition, the Offer may not remain open for acceptance for more than four months from the despatch date of this Composite Document, unless the Offeror has, by that time, become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially owned as to 100% by the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.

If the level of acceptances of the Offer Shares (or the Offeror's holding of the total issued share capital of the Company) does not reach the prescribed thresholds under Section 102(1) (or Section 103(1)) of the Bermuda Companies Act or less than 90% of the Disinterested Shares are validly tendered for acceptance during the Compulsory Acquisition Entitlement Period, the Offeror will not be entitled to exercise the compulsory acquisition right and therefore the Company will not be delisted from the Stock Exchange.

The Stock Exchange has stated that (i) if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or (ii) if the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

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If upon the close of the Offer, the Offeror is not entitled to exercise, or decides not to exercise, the compulsory acquisition right, the Offeror intends the Company to remain listed on the Stock Exchange. The Offeror Directors and the new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

Arrangement under Section 102(1) of the Bermuda Companies Act

If the Offeror decides to compulsorily acquire those Offer Share(s) not acquired by the Offeror under the Offer (the “**Remaining Offer Share(s)**”) under Section 102(1) of the Bermuda Companies Act, the Offeror will despatch the compulsory acquisition notices pursuant to the Bermuda Companies Act, each accompanied by a form of request for payment of consideration (the “**Compulsory Acquisition Consideration**”), i.e. the Cash Alternative only, to the Shareholder(s) holding the Remaining Offer Share(s) (the “**Remaining Offer Shareholder(s)**”). In order to receive the Compulsory Acquisition Consideration, the Remaining Offer Shareholder(s) should complete and return the form of request for payment of consideration within one month from the date of the compulsory acquisition notices (the “**Compulsory Acquisition Notices Period**”). The cheques for the payment of the amounts due to the Remaining Offer Shareholders will be despatched within one month from the end of the Compulsory Acquisition Notices Period by ordinary post at the risk of such Remaining Offer Shareholders, assuming that no dissenting Remaining Offer Shareholder has filed an application to object to the compulsory acquisition with the Court within one month from the date of the compulsory acquisition notices. If any dissenting Remaining Offer Shareholder files an application with the Court within one month from the date of the compulsory acquisition notices and (i) such objection is ultimately upheld by the Court, the Offeror will not be able to exercise compulsory acquisition in respect of the Shares held by such dissenting Remaining Offer Shareholders and in respect of the Shares held by the Remaining Offer Shareholders who do not complete and return the form of request for payment of consideration within the Compulsory Acquisition Notices Period. Such dissenting Remaining Offer Shareholders and Remaining Offer Shareholders who do not complete and return the form of request for payment of consideration within the Compulsory Acquisition Notices Period will continue to hold the relevant Shares, and the Company will remain listed on the Stock Exchange and still be subject to the Takeovers Code; or (ii) such objection is ultimately not upheld by the Court, the cheques for the payment of the amounts due to the Remaining Offer Shareholder(s) will be despatched within one month after the Court rules in favor of the compulsory acquisition.

Arrangement under Section 103(1) of the Bermuda Companies Act

If the Offeror decides to compulsorily acquire the Remaining Offer Share(s) under Section 103(1) of the Bermuda Companies Act, the Offeror will despatch the compulsory acquisition notices pursuant to the Bermuda Companies Act, each accompanied by a form of request for payment of Compulsory Acquisition Consideration, i.e. the Cash Alternative only, to the Remaining Offer Shareholder(s). In order to receive the Compulsory Acquisition Consideration, the Remaining Offer Shareholder(s) should complete and return the form of request for payment of consideration within the Compulsory Acquisition Notices Period. The cheques for the payment of the amounts due

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to the Remaining Offer Shareholders will be despatched within one month from the end of the Compulsory Acquisition Notices Period by ordinary post at the risk of such Remaining Offer Shareholders, assuming that no dissenting Remaining Offer Shareholder has applied to the Court to appraise the value of their Offer Shares within one month from the date of the compulsory acquisition notices. Any Remaining Offer Shareholder who receives such notice has the right to apply to the Court to appraise the value of their Offer Shares within one month from the date of the compulsory acquisition notices. There is no appeal process available in relation to the Court's appraisal decision.

If the cash price that was paid for the Offer Share(s) already acquired under the Cash Alternative is less than the value appraised by the Court, subject to any other directions from the Court, the Offeror will, within one month of the Court's appraisal of the value of the Offer Share(s), pay the difference in the cash price paid under the Cash Alternative and the appraised value of the Offer Share(s) to the Offer Shareholder(s) electing the Cash Alternative, and acquire the Remaining Offer Share(s) from the Remaining Offer Shareholder(s) at the value appraised by the Court.

Given the higher degree of certainty provided by Section 103(1) of the Bermuda Companies Act than Section 102(1) of the Bermuda Companies Act in relation to completing the compulsory acquisition, the Offeror intends (but is not obliged) to exercise its right under Section 103(1) instead of Section 102(1) of the Bermuda Companies Act.

For the arrangement under each of Section 102(1) and Section 103(1) of the Bermuda Companies Act, if the Remaining Offer Shareholder(s) do not complete and return the form of request for payment of consideration (as mentioned above), the Offeror will then be required to pay the Compulsory Acquisition Consideration of such Remaining Offer Shareholder(s) to the Company rather than directly to the relevant Remaining Offer Shareholder(s), and the Company is required to transfer such Compulsory Acquisition Consideration into a separate bank account and hold it on trust for these Remaining Offer Shareholder(s). The Company shall hold the Compulsory Acquisition Consideration for each such Remaining Offer Shareholder(s) until the earlier of: (i) a claim by such Remaining Offer Shareholder(s) is made and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) of such Remaining Offer Shareholder(s) are provided to the Company or the Offeror to the satisfaction of the Company, and (ii) the expiry of six years from the date of completion of the compulsory acquisition.

Once compulsory acquisition is exercised, all Offer Shareholders who have not accepted the Offer will be paid in cash only.

Further details of the terms of the Offer and procedures for acceptance are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

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PUBLIC FLOAT

Reference is made to the announcements of the Company dated July 13, 2020, July 14, 2020, August 13, 2020, October 29, 2020, November 12, 2020, November 26, 2020, January 14, 2021, April 14, 2021, May 12, 2021, July 14, 2021 and July 20, 2021 in relation to, among others, the public float of the Company. 5,170,524 Shares, representing approximately 0.95% of the issued Shares, are held by the public (within the meaning of the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules remains unsatisfied. Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on July 14, 2020 and will remain suspended until further notice.

The Stock Exchange has stated that (i) if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or (ii) if the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

If upon the close of the Offer, the Offeror is not entitled to exercise, or decides not to exercise, the compulsory acquisition right, the Offeror intends the Company to remain listed on the Stock Exchange. The Offeror Directors and the new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

OVERSEAS SHAREHOLDERS AND NOTICE TO US INVESTORS

The making of the Offer to the Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Shareholder in such relevant jurisdictions.

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Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror that all laws, regulations and requirements applicable to that Shareholder have been complied with and that the Offer can be lawfully accepted by such Shareholder under the laws and regulations of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

As at the Latest Practicable Date, there was no Offer Shareholder whose address as shown in the register of members of the Company was outside Hong Kong.

The receipt of cash by a US Shareholder pursuant to the Offer may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Shareholder is urged to consult his/her independent professional adviser immediately regarding the tax consequences of the Offer applicable to him/her.

It may be difficult for the US Shareholders to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. The US Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Copies of this Composite Document and the accompanying Form of Acceptance must not be mailed or otherwise forwarded, distributed or sent into any non-Hong Kong jurisdiction where to do so would contravene applicable law or regulation, and persons receiving this Composite Document and the accompanying Form of Acceptance (including custodians, nominees and trustees) should observe these restrictions.

Please refer to the section headed "Notice to US Holders of Offer Shares" as set out in the "IMPORTANT NOTICES" on page v in this Composite Document for details.

ACCEPTANCES OF THE OFFER

Election of the Cash Alternative or the Share Alternative

The Offer Shareholders (all of which are Disinterested Shareholders) may elect the Cash Alternative or the Share Alternative (but not, for the avoidance of doubt, a combination of the two) as the form of Offer Consideration in respect of their entire holdings of Offer Shares. Failure to comply with this requirement of single consideration election would render the relevant Offer Shareholder's election of the Share Alternative being rejected and such Offer Shareholder will be deemed to have elected and will receive the Cash Alternative for all his/her/its interests in the Offer Shares tendered by that Offer Shareholder subject to the Offer becoming or being declared unconditional in all respects.

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An election of the Cash Alternative or the Share Alternative may be made by Offer Shareholders in connection with their respective entire shareholdings in the Company, and Offer Shareholders shall make such election by properly completing and signing the Form of Acceptance in accordance with the instructions appearing thereon (and, in the case of joint holders, signed by all the joint holders to which it relates, and in the case of a holder or a joint holder which is a body corporate, signed on its behalf by one of its directors or a duly authorised signatory) in respect of their entire holdings of Offer Shares registered under their names before the close of the Offer, and deliver the duly completed and executed Form of Acceptance to the share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Together with the lodging of a duly completed and executed Form of Acceptance and the share certificate of the Offer Shares being tendered, if an Offer Shareholder wishes to elect for the Share Alternative, the Offer Shareholder must also lodge the KYC Documents to comply with the relevant anti-money laundering requirements of the Cayman Islands. The Offeror and the Company reserve the discretion to request for additional evidence or documents as may be required for the purpose of complying with the relevant anti-money laundering requirements of the Cayman Islands.

Any Offer Shareholder who has returned a completed and executed Form of Acceptance but (a) does not make any election as to the Share Alternative or Cash Alternative; (b) makes an election of the Share Alternative which is not valid in accordance with the terms of the Offer (e.g. due to the same Offer Shareholder's election of the Cash Alternative); or (c) elects the Share Alternative and fails to submit all KYC Documents, will be deemed to have elected the Cash Alternative and will receive the Cash Alternative subject to the Offer becoming or being declared unconditional in all respects. For the avoidance of doubt, HKSCC Nominees Limited, who will take instructions from beneficial owners of the Shares regarding acceptance of the Offer, can specify a smaller number of Shares for electing the Cash Alternative than its registered holding.

Arrangement for election of the Share Alternative

For the purpose of ensuring accuracy of the registered ownership of the Holdco Shares and satisfying compliance requirements applicable to shareholders of a Cayman-incorporated company, only the registered Offer Shareholders i.e. those whose names appear on the register of members of the Company with physical share certificates are allowed to elect the Share Alternative. **If an Offer Shareholder holding Offer Shares via CCASS wishes to elect the Share Alternative, such Offer Shareholder is required to instruct his/her/its securities dealer/custodian banks to withdraw the Offer Shares from CCASS and arrange for the transfer of those Shares into his/her/its own name as soon as possible thereafter before the relevant deadline for election.**

To ensure the Offer Shareholders do not accept both the Cash Alternative and the Share Alternative, the Company will conduct a shareholder identification exercise pursuant to its power under Section 329 of the SFO. The result of such exercise will be shared with the Offeror in the form of a report (the "**S.329 Report**"). If, having considered the S.329 Report and other relevant information such as the register of members of the Company, the Offeror believes any Offer Shareholder has elected both the Cash Alternative and the Share Alternative in respect of all of the Offer Shares held by

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him/her/it, the Offeror has absolute discretion to reject the election for Share Alternative, in which case the Offer Shareholder will be deemed to have made an election for Cash Alternative in respect of all the Offer Shares held by him/her/it. Any decision of the Offeror in this regard shall be final and binding. An Offer Shareholder may be required by the Offeror to provide such additional information or documentary evidence for the purpose of confirming that such Offer Shareholder has elected the Share Alternative in respect of all the Offer Shares held by him/her/it.

Upon receiving the Holdco Shares, there are no restrictions (other than the City Lead Holdco Shares ROFR) for the shareholders of the Holdco to sell or transfer their Holdco Shares in private through over-the-counter trading. Tricor Investor Services Limited will issue and distribute share certificates of the Holdco Shares to the Offer Shareholders who have validly elected the Share Alternative, and will also act as transfer agent of the Holdco Shares by processing any transfer of Holdco Shares.

Procedures for acceptance

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offer.

The duly completed and signed Form of Acceptance, should be sent, together with the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), together with the KYC Documents to comply with the relevant anti-money laundering requirements of the Cayman Islands (if an Offer Shareholder wishes to elect for the Share Alternative), to the Registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "Clear Media Limited Offer" on the envelope, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is drawn to "Further terms and procedures of acceptance of the Offer" as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Close of the Offer

The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of this Composite Document (or such later date to which the Executive may consent).

If all the Conditions are satisfied (or, if permissible, waived), Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

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Effect of accepting the Offer

Acceptance of the Offer will constitute a warranty to the Offeror by each person accepting it that the Shares acquired under the Offer and sold by such persons are free from any Encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer are made (i.e. the date of the despatch of this Composite Document).

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn after the Offer has become or been declared unconditional unless such withdrawal is made in accordance with Rule 19.2 of the Takeovers Code. Rule 17 of the Takeovers Code provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the first closing date of the Offer if the Offer have not by then become unconditional as to acceptances.

Nominee registration

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares, whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

Stamp duty

The Offeror will bear both the ad valorem stamp duty payable by the seller and the buyer arising in connection with acceptances of the Offer and the transfer of Shares, each amounting to a rate of 0.1% (or such other higher rate as may be promulgated from time to time) of the consideration payable in respect of the relevant acceptances by the relevant Offer Shareholders.

No stamp duty or other fees will be payable for the transfer of the Holdco Shares by City Lead to Offer Shareholders who have validly elected the Share Alternative.

Payment

Payment of the Offer Consideration (i.e., (a) cheques for cash entitlements to those who have validly elected (or have been deemed to have elected) the Cash Alternative and (b) share certificates for Holdco Shares to those who have validly elected the Share Alternative) in respect of acceptance of the Offer will be made as soon as possible but in any event within seven Business Days after the later of (i) the date on which the Offer become, or is declared, unconditional in all respects and (ii) the date on which a duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent).

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If the Offeror decides to compulsorily acquire the Remaining Offer Share(s) under Section 102(1) or Section 103(1) of the Bermuda Companies Act, the Offeror will despatch the compulsory acquisition notices pursuant to the Bermuda Companies Act, each accompanied by a form of request for payment of Compulsory Acquisition Consideration, i.e. the Cash Alternative only, to the Remaining Offer Shareholder(s).

In order to receive the Compulsory Acquisition Consideration, the Remaining Offer Shareholders should complete and return the form of request for payment of consideration within one month from the date of the Compulsory Acquisition Notices (i.e., the Compulsory Acquisition Notices Period).

Assuming that no dissenting Remaining Offer Shareholder has filed an application to object to the compulsory acquisition with the Court under Section 102(1) of the Bermuda Companies Act or applied to the Court to appraise the value of their Offer Shares under Section 103(1) of the Bermuda Companies Act within one month from the date of the compulsory acquisition notices, the cheques for the payment of the amounts due to the Remaining Offer Shareholders will be despatched within one month from the end of the Compulsory Acquisition Notices Period by ordinary post at the risk of such Remaining Offer Shareholders.

Under Section 102(1) of the Bermuda Companies Act, if any dissenting Remaining Offer Shareholder files an application to object to the compulsory acquisition with the Court within one month from the date of the Compulsory Acquisition Notice and such objection is ultimately upheld by the Court, the Offeror will not be able to exercise Compulsory Acquisition in respect of the Shares held by such dissenting Remaining Offer Shareholders and in respect of the Shares held by the Remaining Offer Shareholders who do not complete and return the form of request for payment of consideration within the Compulsory Acquisition Notices Period. Such dissenting Remaining Offer Shareholders and Remaining Offer Shareholders who do not complete and return the form of request for payment of consideration within the Compulsory Acquisition Notices Period will continue to hold the relevant Shares, and the Company will remain listed on the Stock Exchange and still be subject to the Takeovers Code. If such objection is ultimately not upheld by the Court, the cheques for the payment of the amounts due to the Remaining Offer Shareholders will be despatched within one month after the Court rules in favor of the Compulsory Acquisition.

Under Section 103(1) of the Bermuda Companies Act, any Remaining Offer Shareholder who receives the compulsory acquisition notice has the right to apply to the Court to appraise the value of their Offer Shares within one month from the date of the compulsory acquisition notice. There is no appeal process available in relation to the Court's appraisal decision. If the Cash Alternative is higher than the value appraised by the Court, the Offeror will, within one month of the Court's appraisal of the value of the Offer Share(s), acquire the Remaining Offer Share(s) from the Remaining Offer Shareholder(s) at the price of the Cash Alternative. If the cash price that was paid for the Offer Share(s) already acquired under the Cash Alternative is less than the value appraised by the Court, subject to any other directions from the Court, the Offeror will, within one month of the Court's appraisal of the value of the Offer Share(s), pay the difference in the cash price paid under the Cash Alternative and the appraised value of the

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Offer Share(s) to the Offer Shareholder(s) electing the Cash Alternative, and acquire the Remaining Offer Share(s) from the Remaining Offer Shareholder(s) at the value appraised by the Court.

Given the higher degree of certainty provided by Section 103(1) of the Bermuda Companies Act than Section 102(1) of the Bermuda Companies Act in relation to completing the compulsory acquisition, the Offeror intends (but is not obliged) to exercise its right under Section 103(1) instead of Section 102(1) of the Bermuda Companies Act.

For the arrangement under each of Section 102(1) and Section 103(1) of the Bermuda Companies Act, if the Remaining Offer Shareholders do not complete and return the form of request for payment of consideration (as mentioned above), the Offeror will then be required to pay the Compulsory Acquisition Consideration to the Company rather than directly to the relevant Remaining Offer Shareholders. Under the Bermuda Companies Act, the Company is required to pay the Compulsory Acquisition Consideration into a separate bank account and hold it on trust for these Remaining Offer Shareholders. The Company may hold such amount until the earlier of: (i) a claim being made and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) being provided to the satisfaction of the Company, and (ii) the expiry of six years from the date of completion of the compulsory acquisition.

Taxation advice

None of the Offeror, the Company, the Holdco, their ultimate beneficial owners and parties acting in concert with any of them, CLSA Limited, CLSA Capital Markets and CICC, the Independent Financial Adviser or any of their respective directors or advisers or any persons involved in the Offer is in a position to advise Shareholders on their own tax implications in any relevant jurisdiction. Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications in any relevant jurisdiction of accepting or rejecting the Offer.

None of the Offeror, the Company, their ultimate beneficial owners and parties acting in concert with any of them, CLSA Limited, CLSA Capital Markets and CICC, the Independent Financial Adviser, the share registrar of the Company or any of their respective directors, officers, associates or advisers or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of the acceptance or rejection of the Offer by any Shareholder.

GENERAL

No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or certificate(s) of the transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares will be given.

All communications, notices, the Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities

LETTER FROM CLSA LIMITED AND CICC

required in respect thereof) and remittances to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Shareholders at their addresses, in the case of Shareholders, specified on the relevant Form of Acceptance. None of the Offeror, the Company, their direct and indirect shareholders and ultimate beneficial owners and parties acting in concert with any of them, CLSA Limited, CLSA Capital Markets, CICC, Independent Financial Adviser, the Registrar or any of their respective directors, officers, associates or advisers, or any other person involved in the Offer, accepts any liability for any loss in postage or delay in transmission or such other liabilities whatsoever which may arise as a result. The attention of the Shareholders is drawn to the section headed "Further terms and procedures of acceptance of the Offer" in Appendix I to this Composite Document.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which forms part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board" set out on pages 48 to 58 of this Composite Document, the "Letter from the Independent Board Committee" set out on pages 59 to 60 of this Composite Document and the letter of advice by the independent financial adviser to the Independent Board Committee as set out in the "Letter from the Independent Financial Adviser" set out on pages 61 to 96 of this Composite Document.

Yours faithfully,
For and on behalf of
CLSA Limited
Edmund Chan
Managing director, Head of M&A

Yours faithfully,
For and on behalf of
**CHINA INTERNATIONAL CAPITAL
CORPORATION HONG KONG
SECURITIES LIMITED**
Yongren Chen
Managing Director
Li Jie
Executive Director

CLEAR MEDIA LIMITED

白馬戶外媒體有限公司



(Incorporated in Bermuda with limited liability)

(Stock Code: 100)

Executive Directors:

Mr. Joseph TCHENG (*Chairman*)
Mr. HAN Zi Jing (*Chief Executive Officer*)
Mr. ZHANG Huai Jun (*Chief Operating Officer*)

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-Executive Directors:

Mr. Peter COSGROVE (*Deputy Chairman*)
Mr. Liang CHEN
Mr. Stephen Hon Chiu WONG
Ms. Fei Fei SHUM

Principal place of business

in Hong Kong:
Room 1202
12th Floor
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Independent Non-Executive Directors

Mr. Robert GAZZI
Mr. WANG Shou Zhi
Mr. Christopher THOMAS
Ms. LI Ping

Alternate Directors:

Mr. ZOU Nan Feng (*alternate to Mr. ZHANG Huai Jun*)
Mr. Jérôme Lucien Joseph Marie d'Héré
(*alternate to Mr. Stephen Hon Chiu WONG*)

3 August 2021

To the Shareholders

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL OFFER BY
CLSA LIMITED AND CHINA INTERNATIONAL CAPITAL
CORPORATION HONG KONG SECURITIES LIMITED
FOR AND ON BEHALF OF
EVER HARMONIC GLOBAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CLEAR MEDIA LIMITED (OTHER THAN THOSE SHARES
OWNED OR AGREED TO BE ACQUIRED BY EVER
HARMONIC GLOBAL LIMITED OR PARTIES ACTING IN
CONCERT WITH IT)**

* *For identification purpose only*

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Rule 3.5 Announcement. CLSA Limited and CICC, for and on behalf of the Offeror, make the following Offer for the Offer Shares in exchange for either:

- (a) The **Cash Alternative**: HK\$7.12 in cash for every Offer Share; or
- (b) The **Share Alternative**: 1 Holdco Share for every Offer Share.

The Offer Shareholders (all of which are Disinterested Shareholders) may elect the Cash Alternative or the Share Alternative (but not, for the avoidance of doubt, a combination of the two) as the form of Offer Consideration in respect of their entire holdings of Offer Shares. Failure to comply with this requirement of single consideration election would render the relevant Offer Shareholder's election of the Share Alternative being rejected and such Offer Shareholder will be deemed to have elected and will receive the Cash Alternative for all his/her/its interests in the Offer Shares tendered by that Offer Shareholder subject to the Offer becoming or being declared unconditional in all respects. Any Offer Shareholder who has returned a completed and executed Form of Acceptance but (a) does not make any election as to the Share Alternative or Cash Alternative; (b) makes an election of the Share Alternative which is not valid in accordance with the terms of the Offer (e.g. due to the same Offer Shareholder's election of the Cash Alternative); or (c) elects the Share Alternative and fails to submit all KYC Documents, will be deemed to have elected the Cash Alternative and will receive the Cash Alternative subject to the Offer becoming or being declared unconditional in all respects. For the avoidance of doubt, HKSCC Nominees Limited, who will take instructions from beneficial owners of the Shares regarding acceptance of the Offer, can specify a smaller number of Shares for electing the Cash Alternative than its registered holding.

The purpose of this Composite Document of which this letter forms part is to provide you with, among other matters, the terms of the Offer, information relating to the Group and the Offeror, as well as to set out (i) the letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Offer; and (ii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer.

Terms used in this letter shall have the same meanings as defined in this Composite Document unless the context otherwise requires.

PRINCIPAL TERMS OF THE OFFER

The "Letter from CLSA Limited and CICC" as set out on pages 11 to 47 of this Composite Document contains information in respect of the Offer and the principal terms of the Offer are extracted below. You are recommended to refer to the "Letter from CLSA Limited and CICC", Appendix I "Further terms and procedures of acceptance of the Offer" to this Composite Document and the accompanying Form of Acceptance for further details.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are 541,700,500 Shares in issue. The Offer is made by CLSA Limited and CICC for and on behalf of the Offeror in exchange for either:

- (a) The **Cash Alternative**: HK\$7.12 in cash for every Offer Share; or
- (b) The **Share Alternative**: 1 Holdco Share for every Offer Share.

The Cash Alternative:

The cash consideration of HK\$7.12 per Offer Share under the Cash Alternative represents:

- (a) the same price as the closing price of HK\$7.12 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a premium of approximately 63.7% over the audited consolidated net asset value attributable to owners of the parent of the Company per Share of approximately HK\$4.35 as at 31 December 2020, based on the exchange rate of RMB1 to HK\$1.201).

The Offer Shares to be acquired under the Offer shall be fully paid and free from any Encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made.

Highest and Lowest Share Prices

Trading in the Shares on the Stock Exchange has been suspended since the Last Trading Day. The closing price per Share as quoted on the Stock Exchange on the Last Trading Day was HK\$7.12.

The Share Alternative:

The Holdco is an exempted company incorporated under the laws of Cayman Islands with limited liability with effect from 26 May 2021, whose registered office is at Vistra (Cayman) Limited of P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Holdco Shares are shares of an unlisted company in Cayman Islands, being an investment holding company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, (i) the authorised share capital of the Holdco was US\$10,000 divided into 1,000,000,000 Holdco Shares of a par value of US\$0.00001, (ii) the Holdco has 63,944,974 shares in issue held by City Lead, equivalent to the total number of Shares held by the Offer Shareholders, and does not have any asset (except for the US\$639.44974 which was paid to the Holdco for the subscription at par value of the 63,944,974 Holdco Shares currently held by City Lead) or liability (and, for the avoidance of doubt, does not hold any shares or securities in any entity), and (iii) the Offeror has 1 share in issue held by City Lead. City Lead will transfer such number of Holdco Shares to each Offer Shareholder validly electing the Share Alternative equal to the number of Shares tendered by it for acceptance under the Offer within seven Business Days after the later of (i) the date on which the Offer becomes, or is declared, unconditional in all respects and (ii) the date on which a duly completed acceptance of the Offer validly electing the Share Alternative and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent). The Holdco will repurchase the remaining shares of the Holdco (if any) held by City Lead which are not transferred to the Offer Shareholders at par value upon completion of the Offer such that the Holdco will be wholly-owned by the Offer Shareholders validly electing the Share Alternative.

Assuming all Offer Shareholders choose the Share Alternative, the Company will be a direct wholly-owned subsidiary of the Offeror and in turn held as to 88.20% by City Lead and 11.80% by the Holdco, and the value of each Holdco Share will primarily be determined by the value of the Offeror and the Company.

Your attention is drawn to the section headed “The Share Alternative” in the “Letter from CLSA Limited and CICC” in this Composite Document which sets out further details on how the Holdco will become a shareholder of the Offeror and further information on the Share Alternative.

Value of the Offer

Your attention is drawn to the sections headed the “The Offer” and “Value of the Offer” in the “Letter from CLSA Limited and CICC” in this Composite Document which sets out the value of the Offer.

Conditions of the Offer

Your attention is drawn to the section headed “Conditions of the Offer” in the “Letter from CLSA Limited and CICC” in this Composite Document which sets out the conditions to the Offer.

Reasons for and Benefits of the Offer

Your attention is drawn to the section headed “Reasons for and Benefits of the Offer” in the “Letter from CLSA Limited and CICC” in this Composite Document.

LETTER FROM THE BOARD

IRREVOCABLE UNDERTAKING

As set out in the Rule 3.5 Announcement, on 3 July 2021, Aimia, who holds 58,774,450 Shares as at the Latest Practicable Date, representing approximately 10.85% of the total issued share capital of the Company and approximately 91.91% of the Disinterested Shares, gave an undertaking in favor of the Offeror, pursuant to which Aimia has irrevocably undertaken to the Offeror to accept the Offer in respect of all of the Sale Shares, by election of either the Share Alternative or the Cash Alternative in respect of all of the Sale Shares, within seven Business Days following the date of despatch of this Composite Document. You are advised to refer to the section headed “Irrevocable Undertaking” in the “Letter from CLSA Limited and CICC” in this Composite Document for further details.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising Mr. Peter Cosgrove, Mr. Robert Gazzi, Mr. Wang Shou Zhi, Mr. Christopher Thomas and Ms. Li Ping, has been formed to advise the Disinterested Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable and as to acceptance of the Offer. As Mr. Liang Chen, Mr. Stephen Hon Chiu Wong and Ms. Fei Fei Shum are also directors of the Offeror, they do not form part of the Independent Board Committee.

Somerley has, with the approval of the Independent Board Committee, been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Disinterested Shareholders in respect of the Offer and in particular as to whether the terms of the Offer are, or are not, fair and reasonable and as to acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Disinterested Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out on pages 59 to 60 in this Composite Document. You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

FURTHER DETAILS OF THE OFFER

You are advised to refer to the “Letter from CLSA Limited and CICC” as set out on pages 11 to 47 of this Composite Document, Appendix I “Further terms and procedures of acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance for further terms and conditions of the Offer and the procedures for acceptance and settlement of the Offer.

LETTER FROM THE BOARD

INFORMATION OF THE COMPANY

Clear Media is a company incorporated in Bermuda with limited liability, and its Shares have been listed on the Main Board of the Stock Exchange since 19 December 2001 (Stock Code: 100). Clear Media is the largest operator of bus shelter advertising panels in China, with a leading market share of more than 70% in top-tier cities and a broad presence in the fastest growing cities across the country. It provides one-stop solutions for nationwide advertising campaigns to customers.

The table below sets forth a summary of certain consolidated financial information of the Group extracted from the annual reports of the Company for the years ended 31 December 2018, 2019 and 2020 respectively, which have been prepared in accordance with Hong Kong Financial Reporting Standards:

	Year ended 31 December 2020 (audited) (RMB'000)	Year ended 31 December 2019 (audited) (RMB'000)	Year ended 31 December 2018 (audited) (RMB'000)
Revenue	1,035,724	1,445,850	1,803,664
Profit/(loss) before taxation	(333,526)	(93,328)	361,039
Profit/(loss) after taxation	(276,903)	(84,138)	254,358
	As at 31 December 2020 (audited) (RMB'000)	As at 31 December 2019 (audited) (RMB'000)	As at 31 December 2018 (audited) (RMB'000)
Total assets	4,555,134	5,116,476	3,441,774
Total liabilities	2,496,419	2,787,440	927,321
Net assets	2,058,715	2,329,036	2,514,453

Your attention is drawn to the “Financial Information of the Group” and “General Information of the Group” as set out in Appendices II and IV to this Composite Document, respectively.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Offer and the repurchase by the Holdco from City Lead of any Holdco Shares not transferred to the Offer Shareholders, assuming there is no change in the issued share capital of the Company and all Offer Shareholders choose the Share Alternative; and (iii) immediately upon completion of the Offer, assuming there is no change in the issued share capital of the Company and all Offer Shareholders choose the Cash Alternative:

(i) As at the Latest Practicable Date

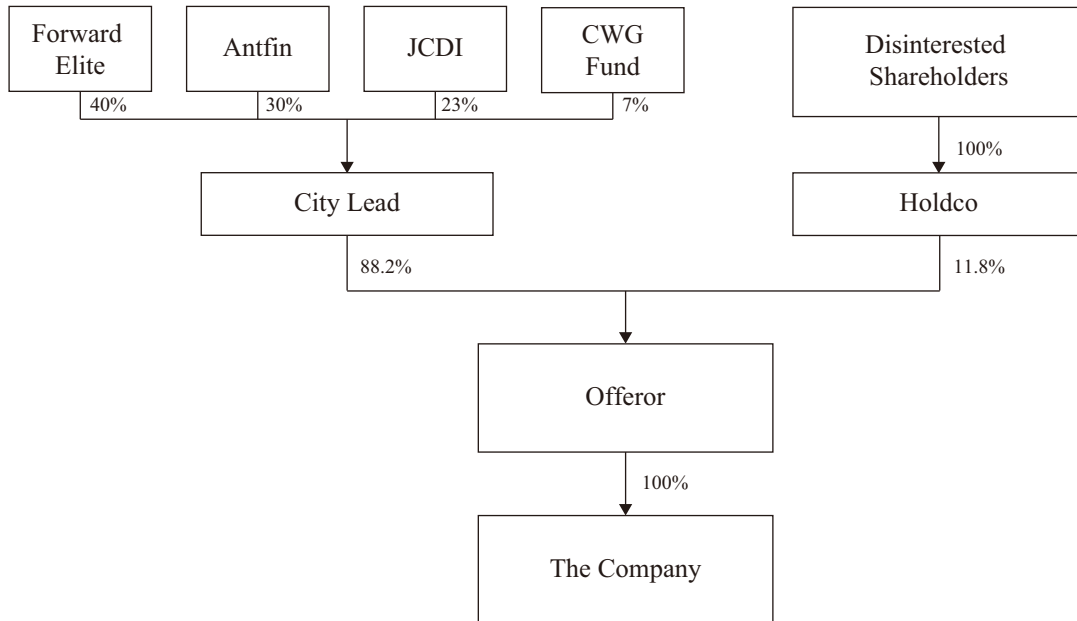
Shareholders	Number of Shares	Approximate percentage of shareholding
<i><u>Offeror and parties acting in concert with it</u></i>	477,755,526	88.20%
<i><u>Disinterested Shareholders</u></i>		
Aimia (Note 1)	58,774,450	10.85%
Other public Shareholders	5,170,524	0.95%
Total	541,700,500	100.00%

Notes:

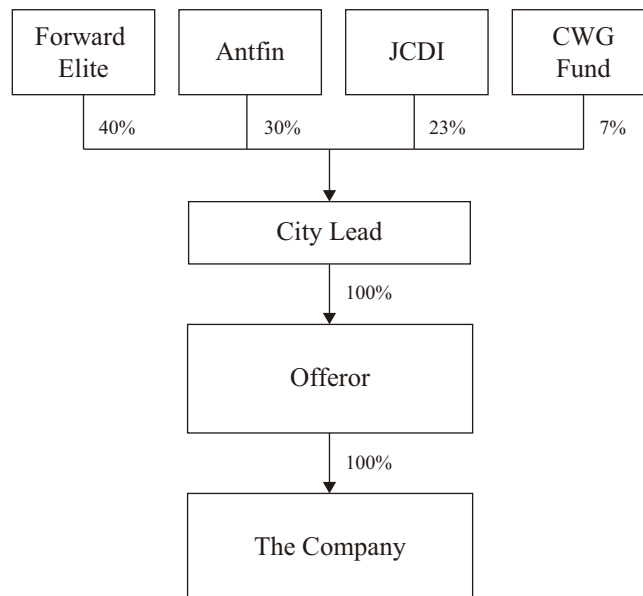
1. Based on its latest disclosure of interest filings pursuant to Part XV of the SFO.

LETTER FROM THE BOARD

- (ii) Immediately upon completion of the Offer and the repurchase by the Holdco from City Lead of any Holdco Shares not transferred to the Offer Shareholders, assuming there is no change in the issued share capital of the Company and all Offer Shareholders choose the Share Alternative



- (iii) Immediately upon completion of the Offer, assuming there is no change in the issued share capital of the Company and all Offer Shareholders choose the Cash Alternative



Your attention is drawn to the “Financial Information of the Group” and “General Information of the Group” as set out in Appendices II and IV to this Composite Document, respectively.

LETTER FROM THE BOARD

INFORMATION ON THE OFFEROR AND INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the sections headed “Information of the Offeror” and “Intentions of the Offeror in relation to the Group” in the “Letter from CLSA Limited and CICC” as set out on pages 11 to 47 of this Composite Document. The Board is aware of the Offeror’s intentions in respect of the Group and its employees and is willing to cooperate with the Offeror and act in the best interests of the Company and the Shareholders as a whole.

LISTING STATUS AND POSSIBLE COMPULSORY ACQUISITION

Your attention is drawn to the section headed “Listing Status and Possible Compulsory Acquisition” in the “Letter from CLSA Limited and CICC” as set out on pages 11 to 47 of this Composite Document.

Pursuant to Section 102(1) of the Bermuda Companies Act, if the Offer has, within four months after the making of the Offer (that is, the despatch of this Composite Document), been approved (in this case, by way of accepting the Offer) by the Shareholders of not less than nine-tenths in value of the Shares other than the Shares already held at the date of the offer by, or by a nominee for, the Offeror or its subsidiary, provided that such Shareholders are not less than three fourths in number of the holders of those Shares, the Offeror may, at any time within two months beginning with the date on which such approval is obtained, give notice of compulsory acquisition to any dissenting Shareholder that it desires to acquire the Shares held by such dissenting Shareholder. If such notice of compulsory acquisition is given, the Offeror shall, unless the Court orders otherwise, be entitled and bound to acquire the Shares held by the dissenting Shareholders on the same terms as other Shares are acquired under the Offer. Any dissenting Shareholder may apply to the Court to object to the proposed compulsory acquisition within one month from the date on which the notice of compulsory acquisition is given.

Pursuant to Section 103(1) of the Bermuda Companies Act, a holder of not less than 95% of the issued Shares may give a notice of compulsory acquisition to the remaining Shareholders of its intention to acquire their Shares on the terms set out in the notice. When such notice of compulsory acquisition is given, such holder will be entitled and bound to acquire the Shares from the remaining Shareholders unless any remaining Shareholder applies to the Court for an appraisal. If the Offeror acquires further Shares (whether pursuant to the Offer or otherwise) such that it holds not less than 95% of the issued Shares, the Offeror will be entitled to give such notice of compulsory acquisition.

LETTER FROM THE BOARD

If the level of acceptances of the Offer Shares (or the Offeror's holding of the total issued share capital of the Company) reaches the prescribed thresholds under Section 102(1) (or Section 103(1)) of the Bermuda Companies Act and not less than 90% of the Disinterested Shares are validly tendered for acceptance within the Compulsory Acquisition Entitlement Period, the Offeror will be entitled to exercise its right under Section 102(1) or Section 103(1) of the Bermuda Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror or parties acting in concert with it under the Offer. The Offeror intends (but is not obliged) to exercise its right under Section 103(1) instead of Section 102(1) of the Bermuda Companies Act.

Pursuant to Rule 15.6 of the Takeovers Code, where the Offeror has stated in this Composite Document its intention to avail itself of any powers of compulsory acquisition, the Offer may not remain open for acceptance for more than four months from the despatch date of this Composite Document, unless the Offeror has, by that time, become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially owned as to 100% by the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.

If the level of acceptances of the Offer Shares (or the Offeror's holding of the total issued share capital of the Company) does not reach the prescribed thresholds under Section 102(1) (or Section 103(1)) of the Bermuda Companies Act or less than 90% of the Disinterested Shares are validly tendered for acceptance during the Compulsory Acquisition Entitlement Period, the Offeror will not be entitled to exercise the compulsory acquisition right and therefore the Company will not be delisted from the Stock Exchange.

PUBLIC FLOAT

Reference is made to the announcements of the Company dated 13 July 2020, 14 July 2020, 13 August 2020, 29 October 2020, 12 November 2020, 26 November 2020, 14 January 2021, 14 April 2021, 12 May 2021, 14 July 2021 and 20 July 2021 in relation to, among others, the public float of the Company. As at the Latest Practicable Date, 5,170,524 Shares, representing approximately 0.95% of the issued Shares, are held by the public (within the meaning of the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules remains unsatisfied. Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 14 July 2020 and will remain suspended until further notice.

LETTER FROM THE BOARD

The Stock Exchange has stated that (i) if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or (ii) if the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

If upon the close of the Offer, the Offeror is not entitled to exercise, or decides not to exercise, the compulsory acquisition right, the Offeror intends the Company to remain listed on the Stock Exchange. The Offeror Directors and the new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 59 to 60 of this Composite Document, which sets out its recommendations to the Disinterested Shareholders in relation to the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 61 to 96 of this Composite Document, which sets out its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it in arriving at its advice.

ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from CLSA Limited and CICC”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as set out in this Composite Document, the accompanying Form of Acceptance and the additional information as set out in the appendices to, which form part of, this Composite Document.

Yours faithfully,
By order of the board of
Clear Media Limited
Jeffrey Yip
Company Secretary

CLEAR MEDIA LIMITED

白馬戶外媒體有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 100)

3 August 2021

To the Disinterested Shareholders

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL OFFER BY
CLSA LIMITED AND CHINA INTERNATIONAL CAPITAL
CORPORATION HONG KONG SECURITIES LIMITED
FOR AND ON BEHALF OF
EVER HARMONIC GLOBAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CLEAR MEDIA LIMITED (OTHER THAN THOSE SHARES
OWNED OR AGREED TO BE ACQUIRED BY EVER
HARMONIC GLOBAL LIMITED OR PARTIES ACTING IN
CONCERT WITH IT)**

We refer to this Composite Document dated 3 August 2021 jointly issued by the Company and the Offeror, of which this letter forms part. Unless specified otherwise, terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Disinterested Shareholders are concerned and to make a recommendation as to acceptance of the Offer.

Somerley has been appointed as the Independent Financial Adviser to advise us in respect of the terms of the Offer and as to acceptance of the Offer. Your attention is drawn to the “Letter from the Independent Financial Adviser” as set out in this Composite Document containing its advice to us and the principal factors and reasons taken into account by it in arriving at such advice.

We also wish to draw your attention to the “Letter from CLSA Limited and CICC” and “Letter from the Board” as set out in this Composite Document as well as the additional information set out in the appendices to this Composite Document.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having considered the terms of the Offer, the information contained in this Composite Document and the principal factors and reasons considered by, and the independent advice of Somerley, as set out in its letter of advice, we consider that the terms of the Offer are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, we recommend (i) the Disinterested Shareholders to accept the Offer; and (ii) the Disinterested Shareholders (other than those sophisticated Shareholders as mentioned in the section headed “Whether to accept the Cash Alternative or the Share Alternative” in the “Letter from the Independent Financial Adviser” as set out in this Composite Document) to accept the Cash Alternative instead of the Share Alternative.

Notwithstanding our recommendation, the Disinterested Shareholders should consider carefully the terms of the Offer and then decide whether to accept or not to accept the Offer. You are strongly recommended to read the full text of the “Letter from the Independent Financial Adviser” as set out in this Composite Document.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Peter Cosgrove
Mr. Robert Gazzi
Mr. Wang Shou Zhi
Mr. Christopher Thomas
Ms. Li Ping

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Somerley to the Independent Board Committee, which has been prepared for the purpose of inclusion in this Composite Document.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

August 3, 2021

To: The Independent Board Committee of Clear Media Limited

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL OFFER BY
CLSA LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED
FOR AND ON BEHALF OF
EVER HARMONIC GLOBAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CLEAR MEDIA LIMITED (OTHER THAN THOSE SHARES OWNED OR
AGREED TO BE ACQUIRED BY EVER HARMONIC GLOBAL LIMITED OR
PARTIES ACTING IN CONCERT WITH IT)**

I. INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the Offer, details of which are contained in the Composite Document dated August 3, 2021, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document and the Letter from CLSA Limited and CICC therein unless the context otherwise requires.

On July 5, 2021, the Offeror and the Company jointly announced that, CLSA Limited and CICC would, for and on behalf of the Offeror, make a voluntary conditional offer to acquire all of the Shares (other than the Shares owned or agreed to be acquired by the Offeror or parties acting in concert with it).

The Independent Board Committee, comprising Mr. Peter Cosgrove, Mr. Robert Gazzi, Mr. Wang Shou Zhi, Mr. Christopher Thomas and Ms. Li Ping (each being an independent non-executive Director, save for Mr. Peter Cosgrove who is a non-executive Director), has been established by the Board to make a recommendation to the Disinterested Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable and whether or not accept the Offer. As Mr. Liang Chen, Mr. Stephen Hon Chiu Wong and Ms. Fei Fei Shum are also directors of the Offeror, they do not form part of the Independent Board Committee. The Independent Board Committee has approved our appointment as the Independent Financial Adviser to advise them in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the past two years, Somerley acted as the independent financial adviser to the independent board committee and independent shareholders of (i) the Company in relation to the First Offer as set out in the composite document dated April 27, 2020 jointly issued by the Offeror and the Company; and (ii) Sun Art Retail Group Limited (“**Sun Art**”, stock code: 6808) in relation to the mandatory unconditional cash offer to acquire all issued shares of Sun Art as set out in the composite document dated November 27, 2020 jointly issued by Sun Art and Taobao China Holding Limited. Sun Art’s ultimate majority shareholder, Alibaba Group Holding Limited (New York Stock Exchange, stock symbol: BABA; and the Hong Kong Stock Exchange, stock code: 9988, “**Alibaba Holding**”), indirectly holds 33% of Ant Group, which, in turn, holds the entire equity interest in Antfin. Antfin holds 30% in City Lead which holds the entire equity interest in the Offeror. For above engagements, Somerley received a normal professional fee from each of the Company and Sun Art.

Save as disclosed above, we, Somerley Capital Limited, are not associated with the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them and, accordingly, consider ourselves eligible to give independent advice on matters relating to the Offer. Apart from normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them. There were no relationships or interests between (a) Somerley Capital Limited and (b) the Group and the Offeror that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors, which we have assumed to be true, accurate and complete in all material respects as at the Latest Practicable Date. We have also assumed that all representations contained or referred to in the Composite Document were true, accurate and complete at the time they were made and remain so as at the Latest Practicable Date. The Disinterested Shareholders will be informed of any material change in this regard as soon as possible up to the end of the Offer Period. We have reviewed, among other things, the announcements pursuant to Rule 3.7 and 3.5 of the Takeovers Code relating to the First Offer (each, the “**Previous Rule 3.7 Announcement**” and the “**Previous Rule 3.5 Announcement**”), the Rule 3.5 Announcement, the annual reports of the Company for the financial years ended December 31, 2018, 2019 and 2020 (the “**Annual Reports**”) and information contained in the Composite Document. We have also discussed with the Directors the “Material Change Statement” and the basis on which it is made, as set out in paragraph 4 of Appendix II to the Composite Document. We have sought and received confirmation from the Directors that no material fact has been omitted from the information supplied and opinions expressed to us by them. We consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material fact has been omitted or withheld. We have not, however, conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification on the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

II. THE OFFEROR AND THE TERMS OF THE OFFER

(a) The Offeror

The Offeror is an investment holding company incorporated in the Cayman Islands with limited liability and is wholly owned by City Lead, which is held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund. Further details on the Offeror are set out in section V. 2 below.

(b) The Offer

The Offer is made by CLSA Limited and CICC for and on behalf of the Offeror for the Offer Shares in exchange for either:

- (a) the **Cash Alternative**: HK\$7.12 in cash for every Offer Share; or
- (b) the **Share Alternative**: 1 Holdco Share for every Offer Share.

The Offer Shareholders (all of which are Disinterested Shareholders) may elect the Cash Alternative or the Share Alternative (but not, for the avoidance of doubt, a combination of the two) as the form of Offer Consideration in respect of their entire holdings of Offer Shares. Failure to comply with this requirement of single consideration election would render the relevant Offer Shareholder's election of the Share Alternative being rejected and such Offer Shareholder will be deemed to have elected and will receive the Cash Alternative for all his/her/its interests in the Offer Shares tendered by that Offer Shareholder subject to the Offer becoming or being declared unconditional in all respects. Any Offer Shareholder who has returned a completed and executed Form of Acceptance but (a) does not make any election as to the Share Alternative or Cash Alternative; (b) makes an election of the Share Alternative which is not valid in accordance with the terms of the Offer (e.g. due to the same Offer Shareholder's election of the Cash Alternative); or (c) elects the Share Alternative and fails to submit all required KYC Documents, will be deemed to have elected the Cash Alternative and will receive the Cash Alternative subject to the Offer becoming or being declared unconditional in all respects.

Details of the Share Alternative and the Holdco are set out in in section V. 8 below.

The Offeror will not increase the Offer Consideration for the Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Consideration and the Offeror does not reserve the right to increase the Offer Consideration.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

III. CONDITIONS OF THE OFFER

The Offer is conditional upon the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror holding at least 95% of the total issued share capital of the Company with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares;
- (b) no event having occurred which would make the Offer or the acquisition of any of the Offer Shares void, unenforceable or illegal or prohibit the implementation of the Offer or would impose any additional material conditions or obligations with respect to the Offer or any part thereof; and
- (c) no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Offer or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Offer or its implementation in accordance with its terms).

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above. As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived.

On July 3, 2021, Aimia, who holds 58,774,450 Shares as at the Latest Practicable Date, representing approximately 10.85% of the total issued share capital of the Company and approximately 91.91% of the Disinterested Shares, gave an undertaking in favor of the Offeror, pursuant to which Aimia has irrevocably undertaken to the Offeror to accept the Offer in respect of all the Sale Shares, by election of either the Share Alternative or the Cash Alternative in respect of all of the Sale Shares, within seven Business Days following the date of despatch of the Composite Document.

As the Offeror already holds 88.20% of the total issued share capital of the Company and Aimia holds approximately 10.85% of the total issued share capital of the Company (which is equivalent to approximately 91.91% of the Disinterested Shares) as at the Latest Practicable Date, Condition (a) will be satisfied (and the Offer will become unconditional as to acceptance) once Aimia tenders the Sale Shares for acceptance of the Offer.

IV. LISTING STATUS AND POSSIBLE COMPULSORY ACQUISITION

If the level of acceptances of the Offer Shares would result the Offeror holding not less than 95% of the issued Shares and not less than 90% of the Disinterested Shares are validly tendered for acceptance within the Compulsory Acquisition Entitlement Period, the Offeror intends (but is not obliged) to exercise its right under Section 103(1) of the Bermuda Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror or parties acting in concert with it under the Offer. Once compulsory acquisition is exercised, all Offer Shareholders who have not accepted the Offer will be paid in cash only.

On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially owned as to 100% by the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Dealing in the Shares have been suspended since July 14, 2020. If, upon the close of the Offer, the Offeror is not entitled to exercise, or decides not to exercise, the compulsory acquisition right and less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to continue the suspension of dealings in the Shares until appropriate steps have been taken to restore the minimum percentage of the Shares in public hands. In such circumstances, the Offeror will take appropriate steps to restore the sufficient public float of the Shares after the close of the Offer.

V. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Offer, we have taken into account the following principal factors and reasons:

1. Background information of the Group

The Company operates the most extensive standardized bus shelter advertising network in China, with a total of more than 59,000 panels covering 24 cities as at December 31, 2020.

2. Background information of the Offeror

The Offeror is an investment holding company incorporated in the Cayman Islands with limited liability and is wholly owned by City Lead, which is held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund. The Offeror has not carried on any business since incorporation other than matters in

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connection with the First Offer and the Offer. The Offeror does not intend to engage in any business other than acting as the holding company of the Company after completion of the Offer.

Forward Elite is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Han Zi Jing, an executive Director.

Antfin is an investment holding company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Ant Group. Ant Group is a company incorporated in the PRC, and provides digital payment services, digital financial services and digital daily life services for consumers and small and micro businesses in China and across the world. As at the Latest Practicable Date, Hangzhou Junhan and Hangzhou Junao hold approximately 29.86% and 20.66% (together approximately 50.52%) of Ant Group's total issued shares, respectively. Hangzhou Yunbo is the executive partner and general partner of, and controls, Hangzhou Junhan and Hangzhou Junao. Mr. Jack Ma holds a 34% equity interest in Hangzhou Yunbo and each of Mr. Eric Jing, Mr. Simon Xiaoming Hu and Ms. Fang Jiang holds a 22% equity interest in Hangzhou Yunbo. Pursuant to a concert party agreement entered into between them and the articles of association of Hangzhou Yunbo, Mr. Jack Ma has ultimate control over Ant Group.

JCDI is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of JCDecaux, a company incorporated in France and listed on Euronext Paris (stock code: DEC). JCDecaux Group is the premium outdoor advertising corporation in the world and a multinational corporation headquartered in France.

CWG Fund is an exempted limited partnership registered under the laws of the Cayman Islands, principally engaged in investment holding, whose general partner is JT China Wealth Management Limited (which is wholly-owned by Empyrean Management (Hong Kong) Limited) (九天管理(香港)有限公司) and whose sole limited partner is Empyrean Management (Hong Kong) Limited, which is in turn wholly-owned by JIC Capital Management (Tianjin) Limited, a PRC state-owned enterprise, and is indirectly wholly-owned by Central Huijin Investment Ltd, a PRC state-owned enterprise, and is principally engaged in private equity investment.

Comments

The Offeror became the controlling Shareholder holding 88.20% interest in the Company following completion of the First Offer in 2020. The shareholders and shareholding percentages of the Offeror remain the same since the First Offer. Overall, we consider the shareholders of the Offeror form a well-founded consortium where members include persons with detailed knowledge of the Company and its business as well as considerable financial strength.

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3. Analysis of the financial information of the Group

(a) Income statement

Set out below are the summarised consolidated statements of profit or loss of the Group for each of the three years ended December 31, 2020 and for the six months ended June 30, 2020 and December 31, 2020 as extracted or compiled from the annual reports and interim report of the Company.

TABLE 1: SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE COMPANY

	For the six months ended December 31, 2020 ("2H2020") ⁽¹⁾ RMB'000	For the six months ended June 30, 2020 ("1H2020") RMB'000	For the year ended December 31,		
			2020 RMB'000	2019 RMB'000	2018 ⁽²⁾ RMB'000
Revenue	666,611	369,113	1,035,724	1,445,850	1,803,664
Gross profit	227,180	(154,173)	73,007	446,124	704,185
Profit/(loss) for the period/year	105,491	(382,394)	(276,903)	(84,138)	254,358
Profit/(loss) for the period/year attributable to the					
Shareholders	105,463	(352,177)	(246,714)	(86,854)	220,813
EBITDA (as defined hereinafter)	307,769	(288,898) ⁽³⁾	18,871 ⁽³⁾	311,362 ⁽³⁾	718,178
Dividend per Share (HK cents)	-	-	-	-	17

Notes:

1. *The financial information for 2H2020 is compiled from the differences between the relevant items for the year ended December 31, 2020 and those for 1H2020.*
2. *In preparing the consolidated financial statements for the year ended December 31, 2018, management has made corrections to the presentation and disclosure of certain transactions and balances in the previously issued consolidated financial statements. The corrections made relate to the recognition of government subsidies, as well as the recovery of misappropriated funds in prior years of which the Group did not have knowledge until the forensic investigations of the misappropriation incident were carried out by an independent external consultant in year 2018.*
3. *The figures, which exclude the effect of adoption of HKFRS 16, are extracted from the relevant annual report or interim report of the Company for like-for-like comparison purpose.*

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(i) *Revenue*

As shown in Table 1, for the three years ended 31 December 2020, the Group recorded revenue of RMB1,803.7 million, RMB1,445.9 million and RMB1,035.7 million, respectively, which represent year-on-year decreases of 19.8% in 2019 and 28.4% in 2020. As advised by the management of the Group, the decrease in 2019 was principally due to the decline in revenue from clients in the e-commerce and IT digital product sectors (being the Group's top two revenue contributors in terms of client's business category in 2019, collectively contributing 41% of revenue in 2019) which was partially offset by the increase in revenue from certain customers of the traditional industries. In 2020, due to the outbreak of COVID-19 which further slowed China's economic growth, negatively impacted customers advertising spend and reduced demand for advertising space, the Group recorded a substantial decline in revenue. As advised by the management of the Group, the Group normally records lower revenue in the first half of the year due to Lunar New Year holidays as compared to the second half but its revenue for 1H2020 was severely hit by the outbreak of the COVID-19 pandemic led to a significantly lower-than-normal seasonality of demand. Revenue for 2H2020 increased by 80.6% as compared to that for 1H2020 as the COVID-19 pandemic was brought under better control in China in 2H2020.

(ii) *Gross profit*

The Group's gross profits for the three years ended December 31, 2020 were RMB704.2 million, RMB446.1 million and RMB73.0 million, respectively, representing year-on-year decreases of 36.6% in 2019 and 83.6% in 2020. As advised by the management of the Group, the decrease in 2019 was largely due to the decrease in total revenue led by the declining advertising demand from the clients in the e-commerce and IT digital product sectors; and (ii) significant increase in rental cost, especially in Beijing, Shanghai and Guangzhou, largely resulting from contract extensions and newly won contracts. In 2020, the Group has adopted flexible pricing policy (including offering heavy price discounts to key customers and introducing affordable advertising packages to small /local customers) and various cost saving initiatives (including negotiating with landlords, electricity suppliers and cleaning and maintenance vendors for reduction of fees and charges). However, its overall gross profit dropped substantially in 2020 due to 28.4% drop in revenue resulting from the impact of COVID-19 on advertising demand. The Group turned from a gross loss of RMB154.2 million for 1H2020 to a gross profit of RMB227.2 million for 2H2020 mainly due to a significant recovery in revenue and reduction of rental, cleaning and maintenance and electricity charges as

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a result of the management's negotiations with landlords, electricity suppliers and cleaning and maintenance vendors in 2H2020.

(iii) Net profit attributable to the Shareholders

For the three years ended December 31, 2020, the Group recorded net profit attributable to the Shareholders of RMB220.8 million in 2018 and net loss attributable to the Shareholders of RMB86.9 million and RMB246.7 million in 2019 and 2020, respectively. The significant decrease in 2019 was largely due to the decline in revenue by RMB357.8 million. For 2020, the Group recorded an overall net loss, significantly in excess of that in 2019, mainly due to the substantial decline in the Group's revenue amid the outbreak of COVID-19 and high fixed costs. The Group's profitability improved from net loss attributable to the Shareholders of RMB352.2 million for 1H2020 to net profit of RMB105.5 million for 2H2020, which is largely attributable to a significant recovery in revenue, reduction of rental, cleaning and maintenance and electricity charges and reversal of bad debt provision.

(iv) EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") for the three years ended December 31, 2020 (without the adoption of HKFRS 16) were RMB718.2 million, RMB311.4 million and RMB18.9 million, respectively, representing year-on-year decreases of 56.6% in 2019 and 93.9% in 2020. The drop in 2019 was mainly due to (i) the decrease in revenue of RMB357.8 million; (ii) the increase in cleaning and maintenance expenses of RMB27.3 million; (iii) the loss on disposal of Kunming bus shelters of RMB17.6 million; and (iv) the increase in direct electricity costs of RMB4.7 million. In 2020, the Group recorded an overall decline in EBITDA, although a significant recovery in revenue, reduction of rental, cleaning and maintenance and electricity charges and reversal of bad debt provision were recorded in 2H2020, resulting EBITDA to rebound from -RMB288.9 million for 1H2020 to RMB307.8 million for 2H2020,.

(v) Dividends

The Company paid dividend(s) for the year ended December 31, 2018 but not in 2019 or 2020. We note that the dividend payout correlates to the net earnings of the Group which have been volatile during the period. No dividend was paid in 2019 or 2020 as the Company was loss making.

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(b) *Financial position*

Set out below are the summarised consolidated balance sheets of the Company as at December 31, 2018, 2019 and 2020 as extracted from the Annual Reports:

TABLE 2: SUMMARISED CONSOLIDATED BALANCE SHEET OF THE COMPANY

	As at December 31,		
	2020	2019	2018 ⁽¹⁾
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)
Total assets⁽²⁾	4,555,134	5,116,476	3,441,774
Property, plant and equipment	60,697	181,960	109,207
Concession rights	1,325,788	1,447,629	1,598,423
Right-of-use assets ⁽²⁾	1,599,854	2,012,557	–
Trade and lease receivables	675,803	808,222	862,613
Cash and cash equivalents	443,529	266,988	473,508
Total liabilities⁽²⁾	2,496,419	2,787,440	927,321
Other payables and accruals	463,128	403,935	697,302
Tax payable	94,723	117,255	206,472
Total lease liabilities ⁽²⁾	1,927,575	2,244,851	–
Net assets attributable to shareholders (“NAV”)	1,960,827	2,203,287	2,367,149
NAV per Share ⁽³⁾	HK\$4.35	HK\$4.58	HK\$5.03

Notes:

- In preparing the consolidated financial statements for the year ended December 31, 2018, management has made corrections to the presentation and disclosure of certain transactions and balances in the previously issued consolidated financial statements. The corrections made are related to the recognition of government subsidies, as well as the recovery of misappropriated funds in prior years of which the Group did not have knowledge until the forensic investigations of the misappropriation incident were carried out by an independent external consultant in year 2018.*
- The significant increases in total assets (comprising right-of-use assets) and total liabilities (comprising total lease liabilities) in 2019 and 2020 as compared to 2018 was as a result of the adoption of HKFRS 16.*
- It is calculated based on Shares in issue and exchange rate (as quoted from The Hong Kong Association of Banks (<https://www.hkab.org.hk/ExchangeRateDisplayAction.do>)) as at the end of the respective year.*

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(i) *Total assets*

As at December 31, 2018, 2019 and 2020, the total assets of the Group were RMB3,441.8 million, RMB5,116.5 million and RMB4,555.1 million, respectively, representing an increase of 48.7% in 2019 and a decrease of 11.0% in 2020. The increase of total assets as at December 31, 2019 as compared to December 31, 2018 was primarily due to the increase in right-of-use assets following the adoption of HKFRS 16. The decrease of total assets as at December 31, 2020 as compared to December 31, 2019 was primarily due to the decrease in concession rights and right-of-use assets after the Group cut its capital expenditure in acquisition of bus shelter concession right during the year.

(a) *Concession rights and right-of-use assets*

The Group's concession rights and right-of-use assets as a whole, being the largest asset of the Group, was RMB1,598.4 million, RMB3,460.2 million and RMB2,925.6 million as at December 31, 2018, 2019 and 2020, respectively, representing an increase of 116.5% in 2019 and a decrease of 15.4% in 2020. The increase in 2019 was as a result of the adoption of HKFRS 16 and the decline in 2020 was principally due to total amortisation charges outweigh total additions and transfer of bus shelters from construction in progress to concession rights. The Group's bus shelter concession contracts have initial terms of five to twenty years, and as at December 31, 2020, the weighted average remaining term of the concession rights currently held by the Group was more than seven years. In terms of renewal rights, approximately 42% of the concession rights held by the Group, based on the total number of bus shelters granted to the Group, grant the Group the priority purchase to renew the concession contracts provided that the terms offered by the Group are no less favourable than those offered by competing tenders.

(b) *Property, plant and equipment*

As at December 31, 2018, 2019 and 2020, the Group's property, plant and equipment, which mainly comprises of construction in progress, was RMB109.2 million, RMB182.0 million and RMB60.7 million, respectively, representing an increase of 66.6% in 2019 and a decrease of 66.6% in 2020. Such fluctuations were principally impacted by additions of bus shelters under construction and reclassification of bus shelters from construction in progress to concession rights upon being completed and ready for use.

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(ii) Total liabilities

The Group did not have any interest-bearing bank borrowings during the past three financial years. The total liabilities of the Group increased from RMB927.3 million as at December 31, 2018 to RMB2,787.4 million as at December 31, 2019 and decreased slightly to RMB2,496.4 million as at December 31, 2020, representing an increase of 200.6% in 2019 and a decrease of 10.4%. The increase in 2019 was mainly due to the adoption of HKFRS 16, whereupon the total lease liabilities of RMB2,244.9 million were recorded, as opposed to the increase in right-of-use assets of RMB2,012.6 million. The decrease in 2020 was mainly due to the decrease in non-current lease liabilities as a result of COVID-19 related rent concessions granted by lessors and fewer new leases entered into by the Group during the year.

(iii) NAV

The NAV of the Group was RMB2,367.1 million, RMB2,203.3 million and RMB1,960.8 million as at December 31, 2018, 2019 and 2020, respectively. The NAV per Share as at December 31, 2020 was equivalent to HK\$4.35 (calculated based on a total of 541,700,500 Shares as at the Latest Practicable Date and the exchange rate of approximately RMB1=HK\$1.201). The Cash Alternative of HK\$7.12 per Offer Share represents a premium of approximately 63.7% over the NAV per Share.

Comments

The Company is the largest operator of bus shelter advertising panels in China, with a market share of more than 70% in top-tier cities, and a broad presence in the fastest growing cities across the country, providing one-stop solutions for nationwide advertising campaigns to customers.

The Group suffered setbacks in terms of profitability in 2019 and 2020 after being consistently profitable since its listing in 2001. The outbreak of COVID-19 slowed down China's economic growth in 2020, which negatively impacted customers' advertising spending and thus reduced demand for advertising space. During this difficult time, the Group implemented flexible pricing policies and various cost saving initiatives. As the COVID-19 pandemic was brought under better control in China and as a result of the management team's efforts, the Group's total monthly revenue bottomed out in March 2020 and began recovering in the second quarter of 2020. The recovery in total monthly revenue continued in the next two quarters in 2020. Total revenue in the fourth quarter in 2020 slightly exceeded the level in the corresponding period in 2019. The Group's revenue for 2H2020 increased by 80.6% as compared to that for 1H2020 and it has turned from a gross loss in 1H2020 to a gross profit in 2H2020. Nevertheless,

in 2020, the Group overall recorded a 28.4% decrease in revenue while its gross profit dropped substantially by 83.6%. During the year, monthly selling price of bus shelter panels decreased and yield per shelter (before value added tax) decreased to RMB21,277 from RMB30,053 in 2019. Its gross profit margin came under pressure reducing from 39.0% in 2018 to 7.0% in 2020.

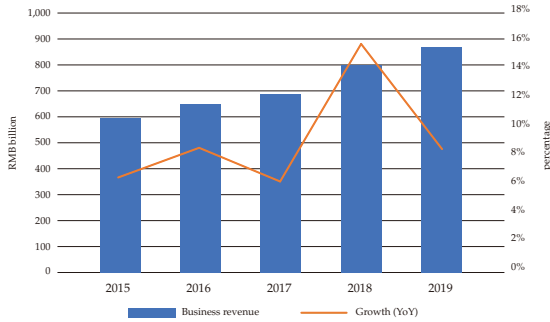
The Group reported widening loss from RMB86.9 million in 2019 to RMB246.7 million in 2020. The net loss in 2020 was mainly due to the substantial decline in the Group's revenue amid the outbreak of COVID-19 and high fixed costs. As advised by the management of the Group, the improvement in the Group's profitability for 2H2020 was mainly due to a significant recovery in revenue, reduction of electricity and cleaning and maintenance costs and rentals after discussion with the suppliers and the reversal of the bad debt provision made in 1H2020. During the COVID-19 crisis, preserving cash had been a core priority for many companies to ensure their liquidity and sustain their operations and the Group was one of them. The Group cut its capital expenditure with the net cash outflow used in investment activities decreased from RMB334.3 million in 2019 to RMB123.4 million in 2020, as acquisition of bus shelter concession rights had substantially decreased during the year. With the COVID-19 pandemic brought under better control, the Group expects to increase its capital expenditure, which is likely to be funded by its cash on balance sheet and operating cash flows in 2021. As advised by the management of the Group, the advertisers are volatile in recent years and their spending are affected by their business performance which, in turn, are dependent on external factors such as the deterioration of the US-China relations, the outbreak of COVID-19 and new policies pronounced by government authorities from time to time. In our view, the Group will continue to face challenges in keeping up with ever-changing market conditions affecting its revenue and yield on each bus shelter.

4. Industry overview and prospects of the Group's business

Based on the data quoted from the State Administration for Market Regulation ("SAMR") 國家市場監督管理總局 by CEIC Data, a leading data provider in the international financial information service industry, the business revenue of China's advertising market grew from RMB597.3 billion in 2015 to RMB867.4 billion in 2019 (as illustrated in Figure 1), representing a compound annual growth rate ("CAGR") of 9.8%. However, the outbreak of COVID-19 in early 2020 had a substantial impact on China's economy in 2020 with both gross domestic product ("GDP") growth and total retail sales of consumer goods growth hitting the recent year lows of 2.3% and -3.9%, respectively (as illustrated in Figure 2 and 3).

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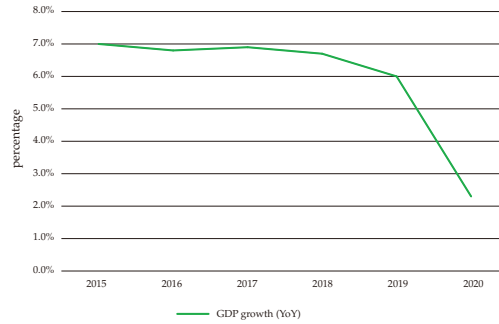
Figure 1: China’s advertising market size (in terms of business revenue) 2015 – 2019^(Note)



Source: CEIC Data (<https://www.ceicdata.com/en/china/business-revenue-by-ownership-and-enterprise-type/ad-ind-business-revenue>)

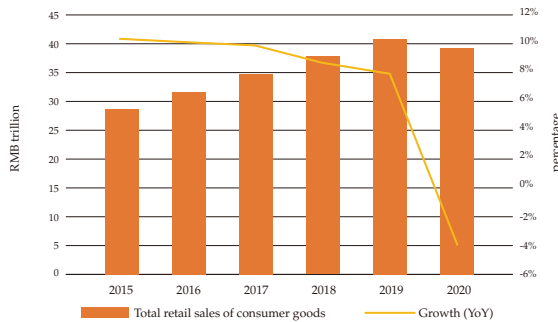
Note: 2019 figures are the latest information available from the source

Figure 2: China’s GDP growth 2015 – 2020



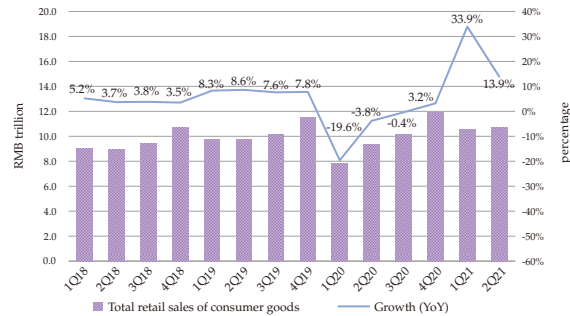
Source: National Bureau of Statistics of China (<https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A0208&sj=2020>)

Figure 3: China’s total retail sales of consumer goods 2015 – 2020



Source: National Bureau of Statistics of China (<https://data.stats.gov.cn/easyquery.htm?cn=A01&zb=A0701&sj=202106>)

Figure 4: China’s total retail sales of consumer goods 1Q2018 – 2Q2021



Source: National Bureau of Statistics of China (<https://data.stats.gov.cn/easyquery.htm?cn=A01&zb=A0701&sj=202106>)

As illustrated in Figure 4, China’s total retail sales of consumer goods was generally lower in the first quarter of 2018 and 2019 but higher in their respective fourth quarter, possibly due to seasonality of demand. China’s total retail sales of consumer goods dropped significantly lower than normal seasonality of demand in the first quarter of 2020 due to the outbreak of COVID-19 and was able to register a steady quarter-on-quarter growth subsequently in 2020 possibly due to the pandemic situation brought under better control. The total retail sales decreased in the first to third quarter of 2020 as compared to the corresponding quarters in

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2019. The total retail sales resumed positive year-on-year growth in the fourth quarter of 2020. China's total retail sales in the first and second quarter of 2021 increased by 33.9% and 13.9% as compared to corresponding quarters in 2020 and slightly exceeded the level in the corresponding quarters in 2019, respectively.

We have discussed with the management of the Group the impact of COVID-19 on the advertising industry as well as the Group's business and are advised that COVID-19 negatively impacted advertising spend and reduced demand for advertising space in the offline or traditional advertising channels such as television, radio, newspapers, magazines and out-of-home or outdoor advertising. The Group's total monthly revenue bottomed out in March 2020 and had been recovering since second quarter of 2020. Its total revenue in the fourth quarter in 2020 slightly exceeded the level in the corresponding period in 2019. The fluctuations in the Group's revenue in 2020 had been largely in line with China's total retail sales of consumer goods in 2020.

Comments

The Group's trading performance deteriorated starting from the second half of 2018 with its revenue growing less than 0.3% as compared the same period in 2017 and decreasing by 19.8% year-on-year in 2019 due to rising uncertainties of the external environment and slower economic growth in China. The Group's business was further hit by the outbreak of COVID-19 in the first quarter of 2020, with its monthly revenue bottoming out in March 2020. The Group's revenue started to recover in the second quarter of 2020 and continued in the third and fourth quarter of 2020 as the COVID-19 pandemic was brought under better control in China. Total revenue in the fourth quarter in 2020 slightly exceeded the level in the corresponding period in 2019. However, the Group's gross profit dropped substantially by 83.6% in 2020 mainly due to substantial decline in revenue in the first quarter and high fixed costs. We have looked at the latest financial results of the Company's peer(s). As set out in section 7 below, Asiaray Media Group Limited ("**Asiaray**", stock code: 1993), which is an outdoor media company with a strategic focus on airport and metro line advertising, is the only peer that we can identify. Similar to the Company, Asiaray recorded a 17.1% decrease in revenue and reported an increase in losses of 30.1% in 2020.

The year-on-year growth of China's total retail sales of consumer goods in 2020 and the first and second quarter of 2021 has fortified, as stated in 2020 Annual Report, the management's expectation over the Group's total revenue in 2021 which will be materially more than that in 2020. However, high fixed costs and competition in pricing, in our view, will continue to be the main challenges facing the Group in the future.

5. Reasons for and benefits of the Offer

The following comments have been extracted from Letter from CLSA Limited and CICC in the Composite Document.

On March 30, 2020, the Offeror and the Company jointly announced that CLSA Limited and CICC, for and on behalf of the Offeror, would make a voluntary conditional cash offer to acquire all of the shares in the entire issued share capital of the Company, and to cancel all outstanding options granted by the Company. The offer price of HK\$7.12 under the First Offer representing a premium of approximately 50.21% and 39.61% over the closing prices of HK\$4.74 and HK\$5.10 per Share as quoted on the Stock Exchange on November 29, 2019 (the last trading day prior to the publication of the announcement pursuant to Rule 3.7 of the Takeovers Code in relation to the First Offer) and on March 27, 2020 (the last trading day prior to the announcement pursuant to Rule 3.5 of the Takeovers Code in relation to the First Offer), respectively.

At the close of the First Offer, there were 63,944,974 Shares that were not owned by the Offeror, representing approximately 11.80% of the total issued share capital of the Company. As the level of acceptance had not reached the prescribed thresholds under the Bermuda Companies Act and Rule 2.11 of the Takeovers Code, the Offeror was unable to effect the compulsory acquisition of the Offer Shares, and the Company remains listed on the Stock Exchange.

The First Offer achieved an overwhelming acceptance rate of 88.20% of the total number of issued Shares (including 1.22% of the total number of issued Shares originally held by Mr. Han Zi Jing, the sole shareholder of Forward Elite). The Offeror has reasons to believe that the offer price of HK\$7.12 for the Shares under the First Offer was highly attractive to the vast majority of the then Shareholders. Despite the attractiveness of the offer price, and that the First Offer was made available for acceptance over a period of 78 days, the Offeror did not receive acceptance from the Offer Shareholders.

In order to further increase the attractiveness of the Offer to the Offer Shareholders, both the Cash Alternative and the Share Alternative are offered. The Offer provides each of the Offer Shareholders an option, as an alternative to accepting cash, to remain as indirect Shareholders.

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For the Company: an endeavor to facilitate a necessary transformation of the business in a challenging environment for the outdoor advertising industry

The Company's core business, as operator of the most extensive standardized bus shelter advertising network in China, has faced significant challenges in recent years. Demand for outdoor advertising in particular has declined substantially, particularly among clients in the e-commerce and digital products sectors. Outdoor advertising is considered to be one of the oldest forms of promotion, and as digital media have increased in popularity in recent years, outdoor advertising has faced intense competition from digital and online advertising. These trends have created a challenging operating environment in which the Group's customers have exercised considerable caution in setting their operating budgets, resulting in persistent late confirmation or last-minute cancellation of orders. Overall, the Group is facing major structural and operational challenges in its existing business model.

Although the Group has explored a range of initiatives to respond to these challenges, the Company's financial performance has deteriorated. Revenue decreased by 28.4% from RMB1,446 million for the year ended December 31, 2019 to RMB1,036 million for the year ended December 31, 2020, and net loss attributable to owners of the parent of the Company increased from a net loss of RMB87 million for the year ended December 31, 2019 to a net loss of RMB247 million for the year ended December 31, 2020. The net loss is mainly due to a combination of the substantial decline in the Group's revenue amid the outbreak of COVID-19 and the Group's relatively high fixed costs. At the same time, the Shares' trading volume were generally low during the 12 months before the Last Trading Day, with an average trading volume of approximately 1,166,406 Shares per trading day, representing 0.22% of the issued share capital of the Company.

In order for the Group to remain competitive in the face of these challenges, it must inevitably restructure and transform its business model, which will require significant investment over a number of years, as well as a highly motivated workforce. Given the downward trend in the Company's Share price and low liquidity in the Shares prior to trading in the Shares was suspended on July 14, 2020, the listed status of the Company is no longer a viable source of funding for the necessary investments. Moreover, given low liquidity in the Shares, any employee option incentive schemes would not be sufficiently effective for acquisition and retention of talent.

The Offeror, with the support of its shareholders, plans to promote the Company's restructuring and transformation through intensive collaboration with the Company on exploration of new development opportunities and implementation of a series of long-term growth measures. The planned growth measures include expansion of the Company's sales and marketing resources and acquisition of additional bus shelter concession rights, which will require the Company to incur significant expenses and capital expenditures, squeezing its profit margin and affecting its growth profile in the short to medium term. If the Company were to implement these measures while remaining listed, investors' views of the Company's share price would likely diverge from the Company's view

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of its potential long-term value. Following the implementation of the Offer and the privatization of the Company (if successful), the Offeror and the Company have flexibility to structure employee compensation in a more optimal manner, and they will be able to make strategic investment decisions focused on realization of the Company's potential long-term value, free from the pressure of market expectations and the share price fluctuations otherwise associated with the status of a publicly listed company.

For the Shareholders: an attractive opportunity to monetize their investment in the Company, which has low trading liquidity, at a compelling premium in view of industry headwinds and execution risks

If the Company were to implement its planned long-term growth measures while remaining listed, the resulting short to medium-term pressure on the Company's profit margins and financial performance could have a significant adverse effect on the Company's Share price.

As a result of the First Offer, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules has not been satisfied and trading in the Shares has been suspended, since July 14, 2020. Despite the Offeror's endeavours to restore the public float of the Company (including its continuous engagement with potential investors from various industries), the Offeror has not agreed any investment terms with any of the potential investors yet as at the Latest Practicable Date. The illiquidity caused by the trading suspension of the Shares is not in the interest of the Offer Shareholders.

The Offer, in contrast, provides an opportunity for Offer Shareholders to monetize their investments in the Company immediately for cash without any downward pressure on the Share price, and therefore allows Shareholders a chance to redeploy their capital into other investment opportunities that they may consider more attractive in the current environment.

The Offer also provides the Offer Shareholders, through the election of the Share Alternative, with an opportunity to remain invested in the Company.

Comments

We are advised by the management of the Group that the Group's business operation and financial performance in the first half of 2020 was materially affected by COVID-19. The Group had reduced capital expenditure to maintain capital liquidity, continued to implement cost savings measures and broaden its customer base. Looking forward, in order for the Group to overcome the challenging operating environment and prosper, the Group may need to (i) further acquire the concession rights of bus shelters in selected lower tier cities; (ii) enhance its technology capabilities to digitalise its existing bus shelter display panels; (iii) further expand its customer base; and (iv) proactively and quickly adapt to market changes so as to improve the yield on each bus shelter.

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The Offeror is making the Cash Alternative at HK\$7.12 per Offer Share, which is equivalent to the share offer price under the First Offer and the last closing Share price. Due to the deterioration of the Group's financial performance and position in 2020 as compared to 2019, the valuation multiples (i.e. price-to-sales ratio, price-to-book ratio and EV/EBITDA) calculated based on the Group's financial performance and position in 2020 show the attractiveness of the Offer on the basis that the Company's valuation multiples have increased as compared to those relating to the First Offer calculated based on the Group's financial performance and position in 2019 (i.e. prior to the outbreak of COVID-19).

The Offeror is also offering the Share Alternative to Offer Shareholders. The Share Alternative, in our view, is designed for sophisticated Offer Shareholders who are attracted by the background of the Offeror, are optimistic about the future prospects and profitability of the Group and are prepared to hold an illiquid investment. The Offeror intends to continue the existing business of the Group (i.e. bus shelter outdoor advertising) but plans to promote the Company's restructuring and transformation through intensive collaboration with the Company on exploration of new development opportunities and implementation of a series of long-term growth measures. The planned growth measures include expansion of the Company's sales and marketing resources and acquisition of additional bus shelter concession rights, which will require the Company to incur significant expenses and capital expenditures. As advised by the management of the Group, these measures, which will be funded by not only cash on balance sheet and operating cash flows of the Group but also external financing, will squeeze the Group's profit margin and affect its growth profile in the short to medium term.

Our discussion on the market price and liquidity of the Shares is set out in section 6 below and on the comparison of valuation multiples with the Company's only peer is set out in section 7 below.

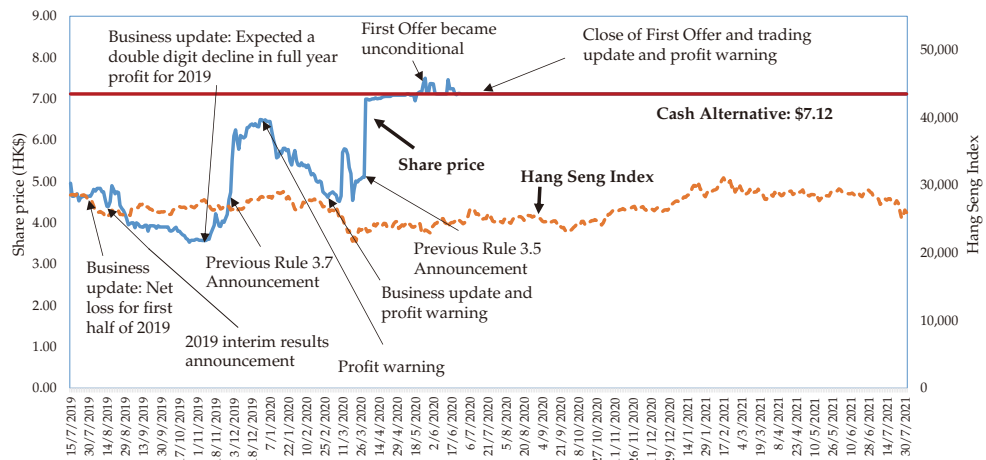
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6. Analysis of market price of the Shares

(a) *Historical share price performance compared to the Cash Alternative of HK\$7.12 per Offer Share*

Trading in the Shares was suspended since July 14, 2020 as the public float of the Shares fell below 15% following the close of the First Offer. Set out below is Share price performance and Hang Seng Index from July 14, 2019 (a date being one year before the Last Trading Day up to and including the Latest Practicable Date (the “**Review Period**”), which, in our view, is sufficient and fair for the Shareholders to assess the value of the Company since the First Offer:

CHART 1: SHARE PRICE PERFORMANCE AND HANG SENG INDEX



Source: Bloomberg and the Stock Exchange website (<https://www.hkexnews.hk/>)

The Cash Alternative is HK\$7.12 per Offer Share, which is equivalent to the share offer price under the First Offer.

During the period from July 15, 2019 to the Last Trading Day, the Shares closed between HK\$3.53 per Share and HK\$7.50 per Share, and the closing Share prices were lower than the Cash Alternative in 210 days out of a total of 248 trading days.

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The closing Share price was on a downward trend at the beginning of the Review Period and underperformed the Hang Seng Index. It fell to its lowest at HK\$3.53 on October 25, 2019. On November 6, 2019, the Company issued a business update and estimated a double digit decline in sales and a net loss attributable to the Shareholders for the year ended December 31, 2019. On November 29, 2019, the Company made the Previous Rule 3.7 Announcement about a possible sale of all or part of the Shares held by its controlling Shareholder at the time. Subsequently, a rally was seen in the Share price which closed between HK\$6.00 and HK\$6.50 most of the time in December 2019 and outperformed the Hang Seng Index. On December 30, 2019, the Company issued a warning of an expected net loss for the year ended December 31, 2019 as opposed to a net gain attributable to the Shareholders of HK\$220.8 million in 2018. The closing price retreated gradually and fell below HK\$5.00 in February 2020 and hovered around HK\$5.00 in March 2020 prior to the release of the Previous Rule 3.5 Announcement. The Shares closed at HK\$6.99 on March 31, 2020 (being the first trading day after the release of the Previous Rule 3.5 Announcement), representing an increase of 37.1% from the last closing price.

As shown in the above chart, the closing Share price reached HK\$7.50, which was above the Cash Alternative, after the First Offer became unconditional on May 25, 2020. Upon the closing of the First Offer, the Offeror and its concert parties owned 88.20% of the issued share capital of the Company and Aimia held 10.85% leaving public float at 0.95%. Trading in the Shares was then suspended starting from July 14, 2020. The Shares closed at HK\$7.12 on the Last Trading Day.

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(b) *Trading liquidity of the Shares*

Set out in the table below are the monthly total trading volumes of the Shares and the percentages of such monthly total trading volumes to the total issued shares and the public float of the Company from July 2019 to July 2020:

TABLE 3: TRADING LIQUIDITY OF THE SHARES

	Monthly total trading volume of the Shares	Percentage of the monthly total trading volume of the Shares to the total issued Shares ⁽¹⁾	Percentage of the monthly total trading volume to the public float ⁽²⁾
2019			
July	4,709,062	0.87%	2.77%
August	5,548,242	1.02%	3.26%
September	5,191,746	0.96%	3.05%
October	4,470,329	0.83%	2.63%
November	13,374,920	2.47%	7.86%
December	14,018,589	2.59%	8.37%
2020			
January	10,539,500	1.95%	6.29%
February	13,992,146	2.58%	7.97%
March	88,662,600	16.37%	48.51%
April	63,845,686	11.79%	36.06%
May	65,416,630	12.08%	100.57% ⁽⁴⁾
June	698,200	0.13%	13.13%
July 1-13	98,000	0.02%	1.90%

Source: Bloomberg and the Stock Exchange website (<https://www.hkexnews.hk/>)

Notes:

- (1) *The calculation is based on the monthly total trading volumes of the Shares divided by the total issued share capital of the Company at the end of each month or at the Latest Practicable Date, as applicable.*
- (2) *The calculation is based on the monthly total trading volumes of the Shares divided by the total number of Shares held by the public as at the respective month end.*
- (3) *Trading in the Shares was suspended since July 14, 2020.*
- (4) *The public float of the Company includes Shares held by Aimia who became a substantial Shareholder in May.*

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Based on the above table, we are of the view that the liquidity of the Shares was generally low before the release of the Previous Rule 3.7 Announcement in November 2019, accounting for 2.63% to 3.26% of the public float of the Company. Heavy trading was seen in the Shares after the issue of the Previous Rule 3.5 Announcement. The monthly turnover of the Shares during March to May 2020 accounted for 36.06% to 100.57% of the public float of the Company. After Aimia has become a substantial Shareholder in May 2020, liquidity of the Shares dropped substantially.

Trading in the Shares has been suspended since July 14, 2020. The Company has been informed by the Offeror that it, with the coordination of its financial advisers, has continuously engaged with potential investors from various industries and actively explored various proposals for restoring the Company's minimum public float, including placement of existing Shares by the Offeror or issuance of new Shares by the Company. For further details, please refer to the announcements dated August 13, October 29, November 12, 26, 2020 and January 14, April 14, May 12, July 14 and 20, 2021. However, the Offeror and potential investors were unable to reach agreement on investment terms. In light of the substantial number of Shares that needs to be disposed of and/or to be issued to restore the public float of the Company, the restrictive measures pertaining to the outbreak of the COVID-19 pandemic and the lingering impact on the outdoor advertising industry caused by COVID-19, the Offeror informed the Company that it needed more time to effect a placement of existing Shares by the Offeror or issuance of new Shares by the Company.

Given there is no definite timetable for resumption of trading in the Shares, the Offer, which comprises both Cash Alternative and Share Alternative, enables the Offer Shareholders to elect for a fixed cash price or alternatively to accept the Share Alternative if they are attracted by the background of the Offeror and are optimistic about the future prospects and profitability of the Group and are prepared to hold an illiquid investment. However, Offer Shareholders can only elect a single consideration which is either Cash Alternative or Share Alternative in respect of their entire holdings of Offer Shares.

Comments

Having considered that (i) the cash consideration of HK\$7.12 per Offer Share is equivalent to the share offer price under the First Offer and the closing Share price on the Last Trading Day; (ii) there is no definite timetable for the resumption of trading in the Shares; and (iii) the Offer comprises both Cash Alternative and Share Alternative which gives the flexibility to the Offer Shareholders depending on their preferences, we are of the view that the Offer represents (a) an attractive exit opportunity via the Cash Alternative for those Offer Shareholders who would like to monetise their investment at a fixed cash; and (b) a way to stay with the Group via the Share Alternative for the rest of the Offer Shareholders.

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7. Peer Comparison

The Company is the largest bus shelter advertising panel operator in China, with a market share of more than 70% in top-tier cities and broad presence in the fastest growing cities across the country, providing one-stop solutions for nationwide advertising campaigns to customers. We employed Bloomberg and AASTOCKS's equity screening tools to identify Main Board listed companies that are primarily engaged in outdoor advertising business similar to the business of the Group representing over 50% to the group's total revenue and over 50% of their revenue are from the China market on a best effort basis. Based on the above selection criteria, we have only identified one comparable company, details of which are set out in the table below:

TABLE 4: COMPARABLE COMPANY

Company	Market capitalisation ⁽¹⁾ (HK\$ million)	Enterprise value	Revenue ⁽³⁾ (HK\$ million)	Net loss ⁽³⁾ (HK\$ million)	EBITDA ⁽⁴⁾ (HK\$ million)	Net assets ⁽³⁾ (HK\$ million)	Price-to-sales ratio	Price-to-book ratio	EV/EBITDA (times)
		("EV") ⁽²⁾ (HK\$ million)					("PSR") ⁽⁵⁾ (times)	("PBR") ⁽⁶⁾ (times)	
Asiaray (stock code: 1993)	951.4	955.4	1,557.1	163.4	991.3	295.0	0.61	3.22	0.96
The Company (based on the Cash Alternative)	3,856.9	3,441.8	1,243.9	296.3	606.8	2,355.0	3.10	1.64	5.67

Source: Bloomberg, the Stock Exchange website(<https://www.hkexnews.hk/>), AASTOCKS.com (<http://www.aastocks.com/>) and 2020 annual reports of Asiaray (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042600958.pdf>) and the Company.

Notes:

- (1) The market capitalisation of Asiaray and the Company are calculated based on its closing price as at the date of the Rule 3.5 Announcement (i.e. July 5, 2021) and the Cash Alternative, respectively, multiplied by the number of ordinary shares as set out in their monthly return for June 2021.
- (2) The enterprise values are calculated based on market capitalisation of Asiaray as at the date of the Rule 3.5 Announcement and the Company based on the Cash Alternative having added total interest bearing bank borrowings and equity attributable to non-controlling interests and less cash and cash equivalents of the respective company based on their respective annual report for 2020.
- (3) The revenue, net loss attributable to shareholders and net assets attributable to shareholders of Asiaray and the Company are referenced to their respective annual report for 2020.
- (4) The EBITDA of Asiaray and the Company are calculated based on net profit/(loss) before taxes added interest costs, depreciation, amortisation and foreign exchange loss and deducted interest income and foreign exchange gain as referenced to their respective annual report for 2020.
- (5) The PSRs of Asiaray and the Company are calculated based on the market capitalisation as represented by its closing share price as at the date of the Rule 3.5 Announcement and the Cash Alternative, respectively, divided by the revenue of the respective company for 2020 as referenced from their respective annual report for 2020.

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- (6) *The PBRs of Asiaray and the Company are calculated based on the market capitalisation as represented by its closing share price as at the date of the Rule 3.5 Announcement and the Cash Alternative, respectively, divided by net asset attributable to the shareholders as at December 31, 2020 of the relevant company as referenced from their annual report for 2020.*
- (7) *The above figures relating to the Company are converted to HK\$ based on the exchange rate of RMB1 = HK\$1.201.*

Asiaray is a leading outdoor media company with a primary focus on airport and metro line advertising. According to its annual report for 2020, it operates in 38 cities with the exclusive concession rights of 28 airports and 27 metro lines.

As shown in Table 4, each of the Company's market capitalisation and enterprise value is around four times greater than that of Asiaray's based on the closing price on the date of the Rule 3.5 Announcement (i.e. July 5, 2021). Asiaray recorded a higher revenue and EBITDA than the Company for 2020. Both companies were loss making for 2020 with Asiaray reported a smaller net loss attributable to shareholders. We also note that the Company's net assets as at December 31, 2020 were eight times greater than Asiaray's. This may be due to the fact that the Company had no borrowing as opposed to Asiaray's total borrowing of HK\$302.8 million and significantly less lease liabilities than Asiaray.

As both companies recorded losses for 2020, no price-to-earnings ratio can be calculated. Instead, we have looked at PSRs, PBRs and EV/EBITDA. Based on the Cash Alternative, each of the Company's PSR of 3.10 times and EV/EBITDA of 5.67 times is substantially higher than Asiaray's of 0.61 times and 0.96 times. Asiaray however exhibited a substantially higher PBR, which was 3.22 times, than that of the Company of 1.64 times.

Comments

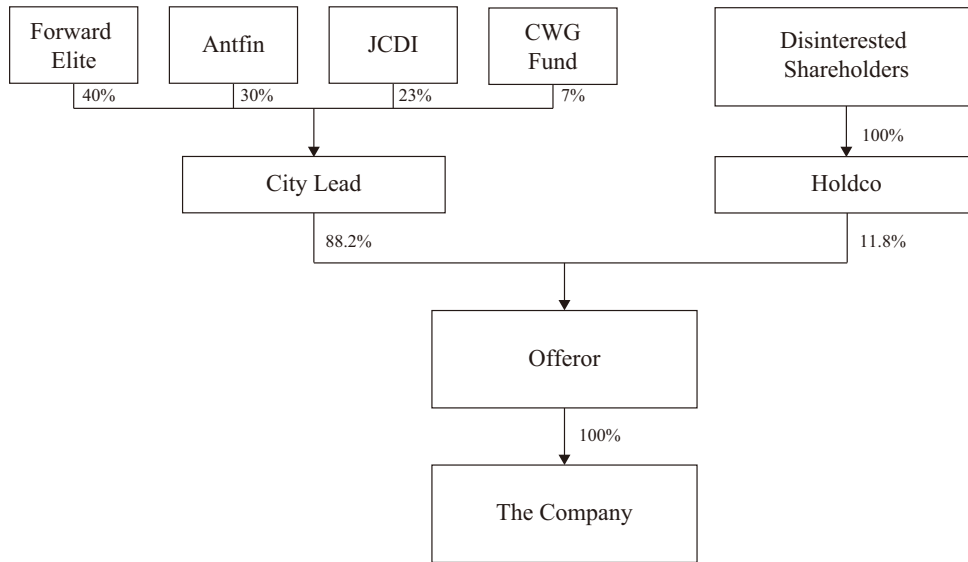
We consider that a peer comparison has limited use, where there is only one peer and that peer is in a different niche (i.e. operation of outdoor advertisements in airports and metro) from the Group. We therefore present it for illustrative purposes only. We note the Cash Alternative compares favourably with Asiaray's rating based on two out of the three valuation multiples.

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8. The Share Alternative and the Holdco

(a) The Share Alternative

Under the Share Alternative, the Offer Shareholders are offered 1 Holdco Share for every Offer Share. The Holdco Shares are shares of an unlisted company incorporated in the Cayman Islands, being an investment holding company. Set out below is a diagram illustrating the shareholding structure of the Company upon completion of the Offer assuming all the Offer Shareholders validly elect the Share Alternative:



Assuming all Offer Shareholders choose the Share Alternative, the Company will be a direct wholly-owned subsidiary of the Offeror and in turn held as to 88.20% by City Lead and 11.80% by the Holdco. Therefore, the effective interest in the Company (via the Holdco and the Offeror) held by each of the Offer Shareholders validly electing the Share Alternative upon the close of the Offer will remain the same as his/her/its current shareholding percentage of the Company. However, the Offeror carries certain indebtedness and has granted collateral over the Shares to secure the existing financing arrangements, which will affect the value of the Holdco Shares, details of which will be discussed in (b) below.

(b) Information on the Holdco and the Offeror

The Holdco, incorporated in the Cayman Islands, is an investment holding company and does not have any asset (except for the US\$639.44974 which was paid to the Holdco for the subscription at par value of the 63,944,974 Holdco Shares currently held by City Lead) or liability as at the Latest Practicable Date. Upon the Offer becoming unconditional in all respects and there being any Offer Shareholder accepting the Offer and

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validly electing the Share Alternative, a professional corporate services firm (or its affiliate) which does not hold any Shares or Holdco Shares will be appointed as the sole corporate director of the Holdco.

The Offeror is an investment holding company incorporated in the Cayman Islands. The Offeror has not carried on any business since incorporation other than matters in connection with the First Offer and the Offer. Upon completion of the Offer, the Offeror is expected to have the following assets and liabilities in addition to certain cash and working capital balances, provided that there is Offer Shareholder validly electing the Share Alternative:

Assets: 541,700,500 Shares (equivalent to all Shares in issue), which are charged to CNCBI

Liabilities: the External Financing and its related interest

Since Forward Elite has not provided any actual funding for the First Offer and the Offer, the External Financing was and is for the purpose of enabling Forward Elite to pay for its pro rata share of the consideration of the First Offer and the Cash Alternative under the Offer. Although the External Financing was and is for the benefit of Forward Elite, the security for the External Financing, includes, amongst others, the charge of the Shares currently held by the Offeror and the Shares to be acquired by the Offeror under the Offer in favor of CNCBI. The charge of the Shares currently held by the Offeror and the Shares to be acquired by the Offeror under the Offer will affect the value of the Holdco Shares to be received by the Offer Shareholders who accept the Offer and validly elect the Share Alternative.

The articles of association of the Offeror will provide that, unless and until the External Financing has been fully and finally repaid and discharged, (i) the Offeror **shall not declare or pay any dividends or distributions**, and (ii) the Offeror is obliged to **apply any and all distributions received from the Company and any of its other subsidiaries towards satisfaction of the repayment of the External Financing**.

To compensate the Holdco for its loss of its indirect pro rata share in any distributions from the Company which is applied by the Offeror to the repayment of the External Financing, Forward Elite will enter into the Forward Elite Holdco Deed of Undertaking with the Holdco upon the Offer becoming unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative. Under the terms of the Forward Elite Holdco Deed of Undertaking, if any funds of the Offeror (which would otherwise be available for distribution to City Lead and the Holdco) are used by the Offeror to repay the External Financing (i.e. the Offeror Repayment), Forward Elite will undertake to pay the Holdco an amount equal to the Holdco's pro rata share (in proportion to its shareholding in the Offeror) of the relevant funds of the Offeror so used (i.e. the Forward

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Elite Payables). The Forward Elite Payables may be repaid in any amount from time to time, provided that all Forward Elite Payables shall be repaid in full to the Holdco by no later than 18 months following the date of full repayment of the External Financing. Interest shall accrue on the Forward Elite Payables daily from the date on which each such payables are accrued up to (and including) the date of repayment of such payables (together with all accrued and unpaid interest), at the rate per annum equivalent to six percent (6%) per annum above HIBOR, calculated based on the actual number of days elapsed and a 360-day year consisting of 12 months of 30 days each. There is no time limit for the Holdco to distribute any proceeds of the Forward Elite Payables to the holders of the Holdco Shares.

The Holdco does not have any dividend policy and there is no guarantee that any dividends will be paid by the Holdco nor is there any dividend payment schedule in respect of the Holdco Shares. It is up to board of the Holdco and the Holdco shareholders (i.e. the Offer Shareholders validly electing the Share Alternative) to decide how to handle the proceeds received from Forward Elite for the Forward Elite Payables in accordance with the corporate governance mechanism of the Holdco as set out in the Letter from CLSA Limited and CICC.

Pursuant to the Forward Elite Holdco Deed of Undertaking, Forward Elite undertakes that the Forward Elite Payables shall rank *pari passu* in priority of payment with the Offeror Repayment Inter-Shareholder Loans. Forward Elite undertakes to pay a pro rata portion of the outstanding Forward Elite Payables to the Holdco simultaneously with the repayment of any amount in satisfaction of Forward Elite's obligations under the Offeror Repayment Inter-Shareholder Loans.

Neither the term of the Forward Elite Holdco Deed of Undertaking nor Forward Elite's obligations thereunder is contingent upon Forward Elite's shareholding in City Lead. Therefore, even if Forward Elite ceases to be a shareholder of City Lead, the Forward Elite Holdco Deed of Undertaking will survive and Forward Elite will remain liable to repay any and all Forward Elite Payables as and when an Offeror Repayment is made.

Offer Shareholders, who are interested in the Share Alternatives, are advised to read carefully the articles of association of the Offeror and the Forward Elite Holdco Deed of Undertaking set out in Appendices VII and VIII to the Composite Document.

(c) Restriction and rights of Holdco Shares

Holdco Shares are shares of an unlisted company in the Cayman Islands and are illiquid with no ready market. Although shareholders of the Holdco will not benefit from the protections afforded by the Listing Rules and the Takeovers Code (if the Offeror is not determined by the Executive to be a "public company in Hong Kong" as defined in the Takeovers Code), their

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rights and obligations in relation to the Holdco will be governed by the provisions of the articles of association of the Holdco, which are detailed in the Letter from CLSA Limited and CICC.

Holdco Shares are subject to the City Lead Holdco Shares ROFR as stipulated under the articles of association of the Offeror and the Holdco as set out in the Appendix VII and Appendix IX to the Composite Document. If Offer Shareholders wish to consider the Share Alternative, they are recommended to read that information carefully, particularly the section headed “The Share Alternative” as set out in the Letter from CLSA Limited and CICC. Risks which Offer Shareholders should consider in evaluating the Share Alternative are set out below in this sub-section (e).

(d) Valuation of the Holdco Shares

CLSA Limited and CICC, the financial advisers to the Offeror, have been appointed to advise on an estimate of value of Holdco Shares. The full text of the estimate of value of Holdco Shares (“**Holdco Shares valuation**”) is set out in Appendix VI to the Composite Document. Under the Share Alternative, each Offer Shareholder is entitled to receive one Holdco Share for every Offer Share held. On the basis of, and subject to, the assumptions and methodology set out in the Holdco Shares Valuation, an estimate of the value of Holdco Shares (the “**Estimated Value**”) would be within a range between HK\$4.98 and HK\$7.12 for each Holdco Share. Offer Shareholders should note that it is expressed in the Holdco Shares Valuation that such Estimated Value is not necessarily indicative of, among others, the price at which Holdco Shares might actually trade at any future date.

We have reviewed and discussed with CLSA Limited and CICC the methodology used, and the bases and assumptions adopted, for the Estimated Value. In providing the Estimated Value, CLSA Limited and CICC have made a number of major assumptions, including (i) the Offer has become or been declared unconditional and the Company is a wholly-owned subsidiary of the Offeror, (ii) the Holdco Shares issued in connection with the Offer comprise the entire issued share capital of the Holdco and no person has any right to acquire or subscribe any share or loan capital of the Holdco other than the Holdco Shares issued in connection with the Offer; and (iii) the Holdco was established for the sole purpose of the Offer and as such, it is assumed that when the Offer becomes effective, the Offeror’s turnover, profits, assets and liabilities (on a consolidated basis) will be the same as those of the Company, save for the External Financing and any cash balance that may remain in the Offeror immediately after the Offer related to the repayment of External Financing or that was not required to finance the amount payable in cash to Offer Shareholders under the Offer.

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Set out below is a summary of two scenarios illustrating the calculations of the Estimated Value:

	(i) Assuming only Aimia elects the Share Alternative	(ii) Assuming all Offer Shareholders elect the Share Alternative
(a) the estimated value of all of the outstanding Shares	HK\$3,856,907,560	HK\$3,856,907,560
(b) the effective external debt financing incurred or to be incurred by the Offeror which is not covered by a corresponding Offeror Repayment Inter-Shareholder Loan or Forward Elite Payable	HK\$0	HK\$0
(c) any cash that may remain in the Offeror which is not charged pursuant to the CNCBI Facility Agreement	HK\$0	HK\$0
(d) The Holdco's percentage of shareholding in the Offeror	10.85%	11.80%
(e) any cash that may remain in the Holdco	HK\$4,561	HK\$4,962
Total value of the Offeror Shares issued to the Holdco	HK\$418,478,645	HK\$455,293,177
Number of Holdco Shares in issue	58,774,450	63,944,974
Top end value per Holdco Share	HK\$7.12	HK\$7.12
Bottom end value per Holdco Share (Assuming a 30% discount for non-marketability of the Holdco Shares)	HK\$4.98	HK\$4.98

We have discussed with CLSA Limited and CICC on the above calculation. As set out in 8(b) above, upon completion of the Offer, the Offeror is expected to hold all the issued Shares, which are charged to the financier for the External Financing, and carry the External Financing and corresponding cash related to the External Financing. Given the mechanism under the Forward Elite Holdco Deed of Undertaking is to mitigate the effects on the Holdco and the Offer Shareholders by the External Financing, the assets and liabilities of the Offeror (other than pro rata share of the issued Shares) shall not be for the account of the Holdco and therefore items (b) and (c) above are nil for the purpose of estimating the value of Holdco Shares.

As shown in the table above, the two scenarios resulted in the same range of Estimated Value. The main difference between the low end and the top end is the assumption on discount for the lack of marketability and shareholders' rights of an unlisted share, particularly around the fact that the

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shareholders of the Holdco will not be able to nominate a director or approve reserved matters of the Offeror until certain ownership thresholds are reached. For the low end, a 30% discount on the value of Holdco Shares is assumed, while for the top end no discount was assumed. CLSA Limited and CICC believe that such a discount range is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatisation precedents in Hong Kong which involves similar unlisted shares being offered as an alternative transaction consideration and which adopts an illiquidity discount methodology to assess the value of the unlisted shares. Based on the above, the Estimated Value would be within a range between HK\$4.98 and HK\$7.12 for each Holdco Share.

We consider it reasonable to apply a discount to the value of an illiquid share with limited shareholders' rights from the independent shareholders' perspective. In evaluating the level of discount applied, we have identified from the Stock Exchange website the following exhaustive list of general offer/privatisation cases involving valuation of unlisted shares since 2013 and noted that a lack of marketability/shareholders' rights discount of 30% was applied to derive the low-end. We consider that the review period which covers eight years is sufficient, fair and representative as it provides an overview of general market practice as regards to the valuation of unlisted shares in general offer/privatisation cases in Hong Kong.

Date of scheme/composite document	Company (stock code)	Discount applied
January 26, 2021	Huifu Payment Limited (1806)	30%
June 20, 2019	China Power Clean Energy Development Company Limited (735)	30%
September 5, 2016	Nirvana Asia Ltd (1438)	30%
July 23, 2013	Yashili International Holdings Ltd (1230)	30%

Source: For Huifu Payment Limited,
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0126/2021012601249.pdf>

For China Power Clean Energy Development Company Limited,
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0620/ltn20190620019.pdf>

For Nirvana Asia Ltd,
<https://www1.hkexnews.hk/listedco/listconews/sehk/2016/0905/ltn20160905003.pdf>

For Yashili International Holdings Ltd,
<https://www1.hkexnews.hk/listedco/listconews/sehk/2013/0723/ltn20130723045.pdf>

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Given the nature of Holdco Shares (unlisted) under the Share Alternative, we consider that the methodology set out in the Holdco Shares Valuation is a reasonable approach in establishing the Estimated Value and is in line with commonly adopted approaches in similar cases in Hong Kong. We also consider that it is not practicable to estimate a discount to reflect lack of marketability and limited shareholders' rights (from the independent shareholders' perspective) very precisely, as it depends on differing circumstances. On the basis of the above, we are of the view that a range of 0% – 30% adopted by CLSA Limited and CICC in its estimate to be acceptable.

For further details of methodology, basis, assumptions and computations of the Estimated Value, please refer to Appendix VI to the Composite Document which should be read in its entirety.

(e) Risk factors of holding the Holdco Shares

Offer Shareholders should bear in mind the risk factors of holding the Holdco Shares as set out in the Letter from CLSA Limited and CICC, in particular the following:

- (i) **Holdco Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules.** There is also no intention to seek a listing of the Holdco Shares (or the business of the Company) on any stock exchange, whether locally or in another jurisdiction;
- (ii) **the value of Holdco Shares will take account, among other things, of (i) the indebtedness of the Offeror through which the Company's shares are held, and (ii) the collateral granted by the Offeror to secure the External Financing;**
- (iii) **Holdco Shares are illiquid and are subject to the City Lead Holdco Shares ROFR,** hence the shareholders of the Holdco may find it more difficult to find a purchaser for the Holdco Shares if they intend to sell their shares, as there is less likely a ready market for Holdco Shares; and
- (iv) **there is no guarantee that any dividend payments will be paid in respect of Holdco Shares.**

Offer Shareholders should note that given the nature of the Holdco Shares, the risks and restriction associated with them as set out in the section headed "The Share Alternative" in the Letter from CLSA Limited and CICC and highlighted in this section, in particular, the indebtedness carried by the Offeror and related share charge over the entire holding of the Shares by the Offeror, a relatively complicated mechanism as stipulated under the Forward Elite Holdco Deed of Undertaking to mitigate the effects on the Offer

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Shareholders (who validly elect the Share Alternative) by the External Financing and share charge and uncertainty over the dividend payment by the Holdco, we consider the Share Alternative to be suitable principally for sophisticated Shareholders only, and we do not consider it suitable for other Offer Shareholders who are less sophisticated.

VI. DISCUSSION OF THE PRINCIPAL FACTORS AND REASONS

In forming our opinion and recommendation below, we have taken into account the factors set out under the section headed “V. Principal factors and reasons considered” above, none of which can be considered in isolation. We would like to draw the attention of the Offer Shareholders in particular to the points summarised below:

(a) The Offer Consideration is fair and reasonable

We consider the Cash Alternative of HK\$7.12 per Share to be fair and reasonable. It is the same as the level of the First Offer and also the same as the closing price on the Last Trading Day on July 13, 2020. Since July 14, 2020, trading in the Shares has been suspended and the Company’s best efforts to restore the public float on acceptable terms so that trading could resume have been unsuccessful. The Company’s results for the full year of 2020, as announced on March 17, 2021, have shown a deterioration as compared to 2019 and 2020 net assets have also decreased from 2019. Although the results for the second half of 2020 showed improvement over the first half, part of this was due to reversal of provisions made in the first half of 2020. While the management expects the Group’s revenue in 2021 to be materially more than that in 2020, as stated in the 2020 Annual Report, the changes and challenges faced by the Company due to the disruptions in margins described above make it difficult to assess whether a consistent return can be achieved to the level of profitability experienced in the last profitable year of 2018.

The Offer Consideration will not be increased.

(b) Conditionality likely to be fulfilled

The Offer is conditional on acceptances being received in respect of at least 57,550,477 Shares (i.e. just over 90% of the Disinterested Shares as at the Rule 3.5 Announcement). This should be achieved as Aimia, which holds 91.9% of the Disinterested Shares, has undertaken to accept the Offer in respect of all the Shares held by it. The Offeror intends to exercise its right to compulsorily acquire all those Shares not acquired by the Offeror under the Offer if it acquires at least 95% of the total issued share capital of the Company with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares. Its intention to take the Company private has been further set out in the Letter from CLSA Limited and CICC.

(c) Challenging market conditions

The Group suffered setbacks in terms of profitability in 2019 and 2020 after previously being consistently profitable since its listing in 2001. The outbreak of COVID-19 further slowed down China's economic growth in 2020, which negatively impacted customers' advertising spending and thus reduced demand for advertising space. The Group reported widening loss from RMB86.9 million in 2019 to RMB246.7 million in 2020.

In 2020, the Group implemented flexible pricing policies and various cost saving initiatives. As the COVID-19 pandemic brought under better control and as a result of the management team's efforts, the Group's total monthly revenue, which bottomed out in March 2020, had recovered in the second and third quarter of 2020 with the fourth quarter in 2020 slightly exceeding the level in the corresponding period in 2019. The Group's financial performance improved from a net loss of RMB352.2 million for 1H2020 to net profit of RMB105.5 million for 2H2020 principally due to a significant recovery in revenue, reduction of rental, cleaning and maintenance and electricity charges and reversal of bad debt provision. However, monthly selling price of bus shelter panels decreased and yield per shelter (before value added tax) decreased to RMB21,277 in 2020 from RMB30,053 in 2019. The Group's gross profit dropped substantially by 83.6% in 2020 mainly due to the substantial decline in revenue in the first quarter and high fixed costs.

China's total retail sales of consumer goods dropped significantly lower than normal seasonality of demand in the first quarter of 2020 due to the outbreak of COVID-19 and was able to register a steady quarter-on-quarter growth subsequently in 2020 possibly due to the pandemic situation brought under better control. However, China's total retail sales of consumer goods only resumed positive year-on-year growth since the fourth quarter of 2020 with year-on-year increases of 3.2%, 33.9% and 13.9% in the fourth quarter of 2020 and the first and second quarter of 2021, respectively. The year-on-year growth of China's total retail sales of consumer goods in 2020 and the first and second quarter of 2021 has fortified, as stated in 2020 Annual Report, the management's expectation over the Group's total revenue in 2021 which will be materially more than that in 2020. However, the advertisers are volatile and their spending are affected by many external factors. In our view, the Group will continue to face challenges in keeping up with ever-changing market conditions affecting its revenue and yield on each bus shelter.

(d) Suspension of trading

Trading in the Shares has been suspended since July 14, 2020 as the public float of the Shares fell below 15% following the close of the First Offer. There is no definite timetable for trading resumption. The Shares closed at HK\$7.12 on the Last Trading Day, which is the same as the Cash Alternative and the share offer price under the First Offer. Suspension of trading in the Shares for the last 12 months

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coupled with the last closing Share price which was supported by the First Offer make a like-for-like comparison of recent privatization precedents not appropriate.

(e) Premium over NAV per Share

Due to the loss of the Group in 2020, the NAV per Share decreased from HK\$4.58 as at December 31, 2019 to HK\$4.35 as at December 31, 2020. The Cash Alternative represents a premium of approximately 63.7% over the NAV per Share as at December 31, 2020.

(f) The Cash Alternative vs the Share Alternative

The Offer Consideration comprises the Cash Alternative and the Share Alternative. The Cash Alternative is HK\$7.12 per Offer Share, which is the same as the share offer price under the First Offer. The Share Alternative will enable the Offer Shareholders to remain as indirect shareholders in the Company with the effective interest in the Company remaining the same as his/her/its current shareholding percentage of the Company.

The estimated value of the Holdco Share is HK\$4.98 (if a 30% discount for non-marketability is applied) – HK\$7.12 (the same as the Cash Alternative). The Holdco Shares that the Offer Shareholders who validly elect the Share Alternative will receive are subject to certain risks and restriction. In particular, (i) the Holdco Shares are unlisted with no ready market and also subject to City Lead Holdco Shares ROFR; (ii) the Offeror, which will be the immediate holding company of the Company, carries the External Financing with its entire holding in the Shares charged to the financier; and (iii) there is no guarantee that any dividends will be paid by the Holdco nor is there any dividend payment schedule in respect of the Holdco Shares. Although the Forward Elite Holdco Deed of Undertaking helps mitigate the effects on the Offer Shareholders (who validly elect the Share Alternative) by the External Financing and share charge, we consider the Share Alternative to be suitable for sophisticated Shareholders only, and we do not consider it suitable for other Offer Shareholders who are less sophisticated.

(g) Cross check against the comparable company

Asiaray was the only comparable company we have identified. Both the Company and Asiaray were loss making in 2020 and therefore no price-to-earnings ratio could be calculated. We have looked at their PSRs, EV/EBITDA and PBRs. The Cash Alternative compares favourably with Asiaray's ratios in terms of both PSR and EV/EBITDA. Asiaray's PBR is substantially higher than the Company's. The peer comparison, which is in any case difficult when there is only one peer company and that company operates in a different market niche, is accordingly inconclusive.

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(h) Lack of dividend

No dividend was paid by the Company in respect of the financial years 2019 and 2020 and the prospects for a resumption of dividends in 2021 are uncertain. In the circumstances, Shareholders accepting the Cash Alternative are likely to be able to invest the proceeds to increase their income.

VII. OPINION AND RECOMMENDATION

Based on the above analysis, we consider the terms of the Offer to be fair and reasonable so far as the Disinterested Shareholders are concerned and advise the Independent Board Committee to recommend the Disinterested Shareholders to accept the Offer.

Whether to accept the Cash Alternative or the Share Alternative

We recommend Disinterested Shareholders (other than those sophisticated Shareholders as mentioned below) **to accept the Cash Alternative of HK\$7.12 and not to take the Share Alternative**, which we consider to be suitable for sophisticated Shareholders who have knowledge and experience in investing as minority shareholders of privately held companies. In our opinion, only those Disinterested Shareholders who are particularly attracted by the background of the Offeror and are optimistic about the future prospects and profitability of the Group and have carefully studied the specific features of the Share Alternative and the associated risks of holding Holdco Shares (as discussed in the section above headed "8. The Share Alternatives and the Holdco"), should consider taking the Share Alternative.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
M. N. Sabine **Jenny Leung**
Chairman *Director*

Mr. M. N. Sabine is a licensed person and responsible officer of Somerley registered with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

Ms. Jenny Leung is a licensed person and responsible officer of Somerley registered with the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

PROCEDURES FOR ACCEPTANCE

The below sets out the requirements for the acceptance of the Offer:

- (a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer. You should insert the total number of the Offer Shares for which the Offer is accepted and elect the Cash Alternative or the Share Alternative (but not, for the avoidance of doubt, a combination of the two) as the form of Offer Consideration in respect of your entire holdings of Offer Shares. Failure to comply with this requirement of single consideration election would render the relevant Offer Shareholder's election of the Share Alternative being rejected and such Offer Shareholder will be deemed to have elected and will receive the Cash Alternative for all his/her/its interests in the Offer Shares tendered by that Offer Shareholder subject to the Offer becoming or being declared unconditional in all respects. If no number is inserted or a number inserted is greater or smaller than your registered holding of Share(s) and you have signed the form, the form will be returned to you for correction and resubmission. For the avoidance of doubt, HKSCC Nominees Limited, who will take instructions from beneficial owners of the Shares regarding acceptance of the Offer, can specify a smaller number of Shares for electing the Cash Alternative than its registered holding.
- (b) Any corrected form must be resubmitted and received by the Registrar by not later than 4:00 p.m. on Tuesday, August 24, 2021 or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive. Subject to the Offer becoming unconditional, your Shares sold to the Offeror by way of acceptance of the Offer will be registered under the name of the Offeror or its nominee.
- (c) If an Offer Shareholder wishes to elect for the Share Alternative, the Offer Shareholder must also lodge the KYC Documents to comply with the relevant anti-money laundering requirements of the Cayman Islands. The Offeror and the Company reserve the discretion to request for additional evidence or documents as may be required for the purpose of complying with the relevant anti-money laundering requirements of the Cayman Islands.
- (d) Any Offer Shareholder who has returned a completed and executed Form of Acceptance but (a) does not make any election as to the Share Alternative or Cash Alternative; (b) makes an election of the Share Alternative which is not valid in accordance with the terms of the Offer (e.g. due to the same Offer Shareholder's election of the Cash Alternative); or (c) elects the Share Alternative and fails to submit all KYC Documents, will be deemed to have elected the Cash Alternative and will receive the Cash Alternative subject to the Offer becoming or being declared unconditional in all respects. For the avoidance of doubt, HKSCC Nominees Limited, who will take instructions from beneficial owners of the Shares regarding acceptance of the Offer, can specify a smaller number of Shares for electing the Cash Alternative than its registered holding.

- (e) By signing and returning the Form of Acceptance, you warrant to the Offeror, CLSA Limited, CICC and the Company that you have not taken or omitted to take any action which will or may result in the Offeror and parties acting in concert with it, the Company, CLSA Limited, CICC or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the Offer or your acceptance thereof.
- (f) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in any event by not later than 4:00 p.m. on Tuesday, August 24, 2021 or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive.
- (g) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Offer in full, you must either:
- (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company, through the Registrar, and send the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar;
or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, and (a) you elect the Cash Alternative, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees; or (b) you elect the Share Alternative, instruct your licensed securities dealer/registered institution in securities/custodian bank to withdraw the Shares from CCASS and arrange for the transfer of those Shares into your own name as soon as possible thereafter before the relevant deadline for election. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your Investor Participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.
- (h) For the purpose of ensuring accuracy of the registered ownership of the Holdco Shares and satisfying compliance requirements applicable to shareholders of a Cayman-incorporated company, only the registered Offer Shareholders i.e. those whose names appear on the register of members of the Company with physical share certificates are allowed to elect the Share Alternative. **If an Offer Shareholder holding Offer Shares via CCASS wishes to elect the Share Alternative, such Offer Shareholder is required to instruct his/her/its securities dealer/custodian banks to withdraw the Offer Shares from CCASS and arrange for the transfer of those Shares into his/her/its own name as soon as possible thereafter before the relevant deadline for election.**

- (i) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer, the Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter.

If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Offer, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable authority to the Offeror to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it/they were delivered to the Registrar with the Form of Acceptance.

- (j) An acceptance of the Offer may not be counted as valid unless:
- (i) it is received by the Registrar by not later than 4:00 p.m. on Tuesday, August 24, 2021 or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive, and the Registrar has recorded that such acceptance and any relevant documents required under paragraph (b) below have been so received; and
- (ii) the Form of Acceptance is duly completed and signed and is:
- (1) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favor of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

- (2) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other sub-paragraphs of this paragraph (j)(ii)); or
- (3) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

The Company shall have the right to reject any or all of the Form of Acceptance that it determines are invalid or in improper form. In addition, the Company shall also have the right to treat any Form of Acceptance that has not been completed in accordance with the instructions thereon, or has otherwise been completed incorrectly, as being valid, provided that the Company in its absolute discretion considers the omissions or errors to be immaterial. The Company shall not be obliged to give notice of any such defects or irregularities and will not incur any liability for failure to give any such notice.

- (k) No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (l) The Offeror will bear both the ad valorem stamp duty payable by the seller and the buyer arising in connection with acceptances of the Offer and the transfer of shares, each amounting to a rate of 0.1% (or such other higher rate as may be promulgated from time to time) of the consideration payable in respect of the relevant acceptances by the relevant Offer Shareholders.
- (m) If the Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar will be returned to the Shareholders who have accepted the Offer by ordinary post at the Shareholders' own risk as soon as possible but in any event within 10 days after the Offer has lapsed.
- (n) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

- (o) In making their decision, the Shareholders must rely on their own examination of the Group and the terms of the Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, CLSA Limited and CICC, Independent Financial Adviser, or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.

ACCEPTANCE PERIOD AND REVISION

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive and in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Registrar by 4:00 p.m. on Tuesday, August 24, 2021 in accordance with the instructions printed on the relevant Form of Acceptance and the Offer will close on Tuesday, August 24, 2021.
- (b) The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on Tuesday, August 24, 2021 stating the results of the Offer and whether the Offer have been extended, revised or have expired.
- (c) If the Offer is extended, the announcement of such extension will state the next Closing Date or a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given to the Shareholders before the Offer is closed to those Shareholders who have not accepted the Offer.
- (d) If, in the course of the Offer, the Offeror revise the terms of the Offer, all Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document(s) are posted and shall not close earlier than the Closing Date.
- (e) If the Closing Date is extended, any references in this Composite Document and the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

ANNOUNCEMENT

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offer. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on Tuesday, August 24, 2021 stating the results of the Offer and whether the Offer have been revised, extended or expired. The announcement will state the following:

- (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
- (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and its Concert Parties before the Offer Period;
- (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror and its Concert Parties; and
- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeover Code) in which the Offeror and any of its Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of voting rights represented by these numbers of Shares.

In computing the total number of Offer Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in this Appendix I, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Listing Rules.

RIGHT OF WITHDRAWAL

The Offer is conditional upon fulfilment of the Conditions set out in the “Letter from CLSA Limited and CICC” in this Composite Document. Acceptance of the Offer tendered by Shareholders, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the subparagraph (a) and (b) below:

- (a) in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the first Closing Date (with the first Closing Date being, Tuesday, August 24, 2021) if the Offer has not by then become unconditional as to acceptances. An acceptor of the Offer may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar;
- (b) in the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “Announcement” above), the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Shareholder(s).

Save as aforesaid, acceptances of the Offer shall be irrevocable and not capable of being withdrawn.

SETTLEMENT

Payment of the Offer Consideration (i.e., (a) cheques for cash entitlements to those who have validly elected (or have been deemed to have elected) the Cash Alternative and (b) share certificates for Holdco Shares to those who have validly elected the Share Alternative) in respect of acceptance of the Offer will be made as soon as possible but in any event within seven Business Days after the later of (i) the date on which the Offer become, or is declared, unconditional in all respects and (ii) the date on which a duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent).

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Cash Alternative will be rounded down to the nearest cent.

Shareholders are recommended to consult their professional advisers if they are in doubt as to the above procedures.

OVERSEAS SHAREHOLDERS

The making of the Offer to the Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Shareholder in such relevant jurisdictions.

Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder that all local laws and requirements have been complied with and that the Offer can be accepted by such Shareholder, respectively lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

The Shareholders are encouraged to read this Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Shareholders (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer.

Copies of this Composite Document and the accompanying Form of Acceptance must not be mailed or otherwise forwarded, distributed or sent into any non-Hong Kong jurisdiction where to do so would contravene applicable law or regulation, and persons receiving this Composite Document and the accompanying Form of Acceptance (including custodians, nominees and trustees) should observe these restrictions.

Please refer to the section headed "Notice to US Holders of Offer Shares" as set out in the "IMPORTANT NOTICES" on page v in this Composite Document for details.

NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

TAX IMPLICATIONS

None of the Offeror, the Company, their ultimate beneficial owners and parties acting in concert with any of them, CLSA Limited, CLSA Capital Market, CICC, Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors or any persons involved in the Offer is in a position to advise the Shareholders on their individual tax implications. Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of the Offeror, the Company, their ultimate beneficial owners and parties acting in concert with any of them, CLSA Limited, CLSA Capital Markets, CICC, Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers or associates or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offer. In particular, acceptance of the Offer may potentially be liable to taxation in the PRC. Each Shareholder is urged to consult his/her independent professional adviser immediately regarding the tax consequences of the Offer applicable to him/her. Shareholders accepting the Offer shall be responsible to complete all necessary tax reporting formalities and pay all taxes and charges due in any relevant jurisdiction, and to provide relevant tax filing and/or payment certificates issued by the tax authorities of the relevant jurisdictions to the Offeror upon request.

GENERAL

- (i) All communications, notices, the Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances (where applicable) to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances (where applicable) will be sent to Shareholders at their addresses specified on the Form of Acceptance. None of the Offeror, the Offeror's ultimate beneficial owner, the Company and parties acting in concert with any of them, CLSA Limited, CLSA Capital Markets, CICC, Independent Financial Adviser, the Registrar or any of their respective directors, officers or associates, or any other person involved in the Offer, accepts any liability for any loss in postage or delay in transmission or such other liabilities whatsoever which may arise as a result.

- (ii) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, CLSA Limited, CLSA Capital Markets, CICC and the Company that the Shares acquired under the Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching thereto including, the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made.
- (iii) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares it has indicated in the Form of Acceptance is the aggregate number of Shares for which such nominee has received authorisations from the beneficial owners to accept the Offer on their behalf.
- (iv) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (v) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer are made will not invalidate the Offer in any way.
- (vi) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of an Shareholder will constitute such Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offer.
- (vii) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or CLSA Limited and/or CICC (or such person or persons as the Offeror and/or CLSA Limited and/or CICC may direct) to complete and execute any document on behalf of the person accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in either Offeror (or such person or persons as it may direct) the Shares in respect of which such person has accepted the Offer.
- (viii) Settlement of the consideration to which any Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.
- (ix) The Offer is made in accordance with the Takeovers Code.
- (x) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

- (xi) In making their decision, Shareholders must rely on their own examination of the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, CLSA Limited, CLSA Capital Markets, CICC, Independent Financial Adviser, or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.

- (xii) The English text of this Composite Document and of the accompanying Form of Acceptance shall prevail over the Chinese text for the purpose of interpretation.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial results of the Group for each of the three years ended 31 December 2018, 2019 and 2020 as extracted from the annual reports for the year ended 31 December 2018, 2019 and 2020 published by the Company in accordance with the Listing Rules.

	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	Audited	Audited	Audited
Revenue	<u>1,035,724</u>	<u>1,445,850</u>	<u>1,803,664</u>
(Loss)/profit before taxation	(333,526)	(93,328)	361,039
Income tax credit/(expenses)	56,623	9,190	(106,681)
(Loss)/profit attributable to:			
Owners of the Company	(246,714)	(86,854)	220,813
Non-controlling interests	(30,189)	2,716	33,545
Total comprehensive income/(loss) attributable to:			
Owners of the Company	(247,695)	(84,542)	218,317
Non-controlling interests	(30,189)	2,716	33,545
Dividends	<u>–</u>	<u>–</u>	<u>81,121</u>
Dividends per share	<u>–</u>	<u>–</u>	<u>0.1498</u>
(Loss)/earnings per share			
– Basic (RMB)	<u>(0.4557)</u>	<u>(0.1606)</u>	<u>0.4084</u>
– Diluted (RMB)	<u>(0.4557)</u>	<u>(0.1606)</u>	<u>0.4084</u>

Save as disclosed above, there are no other items of income or expense which are material for each of the three years ended 31 December 2018, 31 December 2019 and 31 December 2020.

The consolidated financial statements of the Group for the three years ended 31 December 2018, 2019 and 2020 were audited by Ernst and Young. No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditor of the Group, Ernst and Young, in respect of the Group's audited consolidated financial statements for the financial years ended 31 December 2018, 2019 and 2020.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2018, 2019 AND 2020

The Company is required to set out or refer to in this Composite Document the consolidated statement of profit or loss, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes of equity and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2018 (the “**2018 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”); and (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2018 Financial Statements are set out from pages 70 to 126 in the annual report of the Company for the year ended 31 December 2018 (the “**2018 Annual Report**”) which was published on 15 April 2019 on the websites of the Company (<http://www.clear-media.net/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0415/ltn20190415696.pdf>).

The 2019 Financial Statements are set out from pages 74 to 138 in the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) which was published on 23 April 2020 on the websites of the Company (<http://www.clear-media.net/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0423/2020042301283.pdf>).

The 2020 Financial Statements are set out from pages 65 to 130 in the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) which was published on 25 April 2021 on the websites of the Company (<http://www.clear-media.net/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0425/2021042500013.pdf>).

The 2018 Financial Statements, the 2019 Financial Statements and the 2020 Financial Statements (but not any other part of the 2018 Annual Report, the 2019 Annual Report and the 2020 Annual Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 May 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group has outstanding indebtedness as summarised below:

Bank Borrowings

The Group has no outstanding bank borrowing.

Contingent liabilities

During 2014, a supplier of the Group in China (the "Supplier") factored its accounts receivable allegedly due from the Group (the "Accounts Receivable") under certain supply contracts (the "Purported Supply Contracts") to certain financial institutions in China. Whilst the Purported Supply Contracts were allegedly entered into with a subsidiary of the Company, the Group has confirmed that none of them is an authentic supply contract to which it is a party. When the Accounts Receivable remained unpaid, the financial institutions commenced legal proceedings against, among others, the Company's subsidiary to recover an aggregate amount of approximately RMB115 million. As the Group confirmed that it had not entered into any of the Purported Supply Contracts, the Group treated the Purported Supply Contracts as being contractual fraud and reported the cases to the competent police authority. The directors, taking into account the advice from the Group's legal counsel, believe that the Group has a valid defense in law to the allegations against it and, accordingly, have not provided for any potential claim arising from the litigation, other than the related legal and other costs.

On 8 January 2016, the Group received a notice from a District Court in the PRC (the "Court") stating that a financial institution (the "Plaintiff") has initiated legal action against the Supplier and that the Court has ruled in such Plaintiff's favour and has frozen the Supplier's right to receive payment from the Group for the settlement of any outstanding liability between the Supplier and the Group. Total outstanding liability owed by the Group to the Supplier was RMB31.6 million. The Court has issued a compulsory order requiring the Group to remit an outstanding sum of about RMB17.6 million owing by the Group to the Supplier into the bank account of the Court. On 5 August 2016, the Court issued another compulsory order requiring the Group to remit the remaining outstanding sum of about RMB14.0 million owed by the Group to the Supplier to the bank account of the Court. The directors, taking into consideration the advice of the Group's legal counsel, believe that this development will not result in the Group being liable to additional liability exceeding the outstanding liability already taken up in the accounts under other payables and accruals, between the Supplier and the Group.

On 15 November 2018 and 24 April 2019, the trials of the case were held on Foshan Intermediate People's Court. On 8 July 2019, the Group received the civil judgement made by the Foshan Intermediate People's Court. According to the case judgement, the Foshan Intermediate People's Court held that the underlying transaction of the Purported Supply Contracts did not exist, and ruled that the Group shall not be responsible for any debts against the Plaintiff.

On 15 April 2020, the Plaintiff filed a second petition for appeal to the Guangdong Higher People's Court, explaining that the first petition did not elaborate its grounds for appeal in a complete and systematic manner due to lack of time. On 26 November 2020, the Guangdong Higher People's Court held a court session, hearing the case on the second petition. According to the Handling Attorney, as of 18 January 2021, there was no other information or progress with respect to the case. The parties were waiting for a judgment or ruling to be made by the Guangdong Higher People's Court in connection with the second appeal.

The Handling Attorney had orally expressed that the second appeal was without merit. Based on documents provided to our legal advisors and the analysis made in their 2018 Memo, the 2019 Memo and the 2020 Memo, they maintained their understanding that the risk of the Group losing the case and having to compensate the Plaintiff was relatively low.

Lease liabilities

As at close of business on 31 May 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had recognised lease liabilities of approximately RMB1,778.8 million.

Save as disclosed above, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgage, charges, guarantees or other material contingent liabilities as at the close of business on 31 May 2021.

4. MATERIAL CHANGE

The Directors confirm that save and except as disclosed below, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up, and up to and including the Latest Practicable Date:

- (i) As disclosed in the 2020 Annual Report, the Group's revenue began to decline substantially in February 2020 amid the outbreak of COVID-19 which further slowed China's economic growth, negatively impacting customers' advertising spend and reducing demand for advertising space. The Group's total monthly revenue bottomed in March 2020 and it had been recovering in the second quarter of 2020. The recovery in total monthly revenue continued in 3Q2020 and 4Q2020. Total revenue in 4Q2020 slightly exceeded the level in 4Q2019. In the absence of any significant recurrence of the COVID-19 pandemic or adverse macro-economic development, the 2021 total revenue is expected to be materially more than in 2020; and
- (ii) As COVID-19 was under control in China in the second half of 2020, the Group saw a significant recovery in revenue and improvement in net impairment losses on financial assets in 2H20 as compared to 1H20. Similar trend is noted for the first five months ended 31 May 2021 as compared to corresponding period in 2020.

I. FINANCIAL INFORMATION OF THE HOLDCO

The Holdco is an exempted company incorporated in the Cayman Islands with limited liability on May 26, 2021. The principal business of the Holdco is investment holding. The Holdco has not carried on any business since incorporation other than matters in connection with the Offer and does not intend to engage in any business other than acting as a holding company of the Company after completion of the Offer. As at the Latest Practicable Date, the Holdco did not have any assets or liabilities except the US\$639.44974 which was paid to the Holdco for the subscription at par value of the 63,944,974 Holdco Shares currently held by City Lead.

Section 59 of the Cayman Islands Companies Act requires Cayman companies to maintain proper books of account necessary to give a true and fair view of the state of such company's affairs and to explain its transactions. As the Holdco has not conducted any business to date, the Holdco (a) has not received or expended money; (b) has not sold or purchased goods; and (c) does not have any assets or liabilities (except the US\$639.44974 which was paid to the Holdco for the subscription at par value of the 63,944,974 Holdco Shares currently held by City Lead), therefore the Holdco has no published audited accounts.

II. INDEBTEDNESS STATEMENT OF THE HOLDCO

As at the Latest Practicable Date, being the latest practicable date for the purpose of ascertaining the indebtedness of the Holdco prior to the Latest Practicable Date, the Holdco had no indebtedness.

As at the Latest Practicable Date, the Holdco did not have bank overdrafts or loans, or other similar indebtedness, mortgages, charges or guarantees or other material contingent liabilities; nor did the Holdco have any subsidiaries.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer and the Group to the Shareholders.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Offeror and parties acting in concert with it) contained in this Composite Document, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Offeror Directors, Mr. Han Zi Jing, Antfin Directors, JCDI Directors, JCDecaux Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL AND OPTIONS

Share Capital

As at the Latest Practicable Date, the authorized share capital of the Company was HK\$100,000,000 divided into 1,000,000,000 Shares of HK\$0.1 each. The number of issued and paid-up Shares as at the Latest Practicable Date was 541,700,500 Shares.

All the issued Shares are fully paid and rank *pari passu* in all respects including, in particular, the rights in respect of capital, dividend and voting.

As at the Latest Practicable Date, the Company has not issued any new Shares since 31 December 2020, being the date to which the latest audited financial statements of the Company were made up.

Options

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options, warrants, derivatives or any other conversion rights in issue affecting the Shares.

3. MARKET PRICES

The Company (Note 1)

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the Last Trading Day; (ii) the last business day of each of the calendar months during the Relevant Period; (iii) the last business day immediately preceding the date of the Rule 3.5 Announcement; and (iv) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
Last Trading Day	7.12
29 January 2021	–
26 February 2021	–
31 March 2021	–
30 April 2021	–
31 May 2021	–
30 June 2021	–
2 July 2021 (being the last business day immediately preceding the date of the Rule 3.5 Announcement)	–
30 July 2021 (also being the Latest Practicable Date)	–

Note:

- Trading in the Shares on the Stock Exchange has been suspended since 14 July 2020.

The Holdco

The Holdco is an exempted company incorporated under the laws of Cayman Islands with limited liability with effect from May 26, 2021, with an authorized share capital as at the Latest Practicable Date of US\$10,000 divided into 1,000,000,000 Holdco Shares of a par value of US\$0.00001. On May 26, 2021, one Holdco Share was allotted and issued to Vistra (Cayman) Limited, the initial subscriber, at par value, which was subsequently transferred to City Lead on the same date. The Holdco further allotted and issued 63,944,973 Holdco Shares to City Lead at par value for US\$639.44973 on May 26, 2021. As at the Latest Practicable Date, the Holdco has 63,944,974 Holdco Shares in issue held by City Lead.

For more details, please refer to the section headed “THE OFFER — The Share Alternative” in the section headed “Letter from CLSA Limited and CICC” in this Composite Document and the information set out in Appendix V to this Composite Document.

4. DISCLOSURE OF INTERESTS

- (a) Directors and the chief executives' interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations.

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives in the Shares, underlying shares or debentures of the Company, including their respective associates (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; (c) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code"); or (d) required to be disclosed under the Takeovers Code, were as follows:

A. Long Positions in the Shares:

Name of director	Number of shares held, capacity and nature of interest				Total	% of the Company's issued share capital
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation (Note 1)	Beneficiary of a trust		
Han Zi Jing	-	-	536,529,976	-	536,529,976	99.05%

Note:

- (1) Ever Harmonic Global Limited directly holds 477,755,526 Shares. On July 3, 2021, Ever Harmonic Global Limited received the Irrevocable Undertaking from Aimia to accept the Offer in respect of 58,774,450 Shares. As such, Ever Harmonic Global Limited is interested in an aggregate of 536,529,976 Shares. Ever Harmonic Global Limited is wholly owned by City Lead Developments Limited, which is in turn held as to 40% by Forward Elite Holdings Limited. Forward Elite Holdings Limited is wholly owned by Mr. Han Zi Jing.

B. Long Positions in the ordinary shares of City Lead Developments Limited:

Name of director	Number of shares held, capacity and nature of interest					Total	% of issued share capital
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation (Note 1)	Beneficiary of a trust			
Han Zi Jing	-	-	4,000	-	-	4,000	40%

Note:

- (1) Ever Harmonic Global Limited, a controlling shareholder of the Company, is wholly owned by City Lead Developments Limited, which is held as to 40% by Forward Elite Holdings Limited. Forward Elite Holdings Limited is wholly owned by Mr. Han Zi Jing.

As at the Latest Practicable Date, save as disclosed above, none of the Directors nor chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the requirements of the Takeovers Code.

(b) Substantial shareholders' interests and short positions in the Shares, underlying shares and securities of the Company.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital were as follows:

A. *Long Positions in the Shares:*

Name	Capacity	Number of Share held	% of the Company's issued share capital
Ever Harmonic Global Limited (<i>note 1</i>)	–	536,529,976	99.05%
Aimia Inc. (<i>note 2</i>)	–	58,774,450	10.85%

Note:

- (1) Ever Harmonic Global Limited directly holds 477,755,526 Shares. On July 3, 2021, Ever Harmonic Global Limited received the Irrevocable Undertaking from Aimia to accept the Offer in respect of 58,774,450 Shares. As such, Ever Harmonic Global Limited is interested in an aggregate of 536,529,976 Shares. Ever Harmonic Global Limited, a controlling shareholder of the Company, is wholly owned by City Lead Developments Limited, which is held as to 40% by Forward Elite Holdings Limited. Forward Elite Holdings Limited is wholly owned by Mr. Han Zi Jing.
- (2) Aimia Inc. notified the Stock Exchange that as at 13 May 2020, 58,774,450 shares of the Company were held by it.

As at the Latest Practicable Date, save as disclosed above, so far as was known to the Directors, no person had an interest or a short position in the shares or the underlying shares of the Company recorded in the register required to be kept by the Company under section 336 of the SFO or 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 were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or any options in respect of such share capital.

5. ADDITIONAL DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (a) Neither the Company, nor any member of the Group, was interested in any shares of the Offeror or the Holdco or any warrants, options, convertible securities or derivatives in respect of any shares of the Offeror or the Holdco;
- (b) Save for Mr. Han Zi Jing's indirect interest in the Shares held by the Offeror and the shares of the Offeror and the Holdco as disclosed below, none of the Directors was interested within the meaning of Part XV of the SFO in any Shares or shares of the Offeror or the Holdco or any warrants, options, convertible securities or derivatives in respect of any Shares or shares of the Offeror or the Holdco;

The Offeror is interested in 536,529,976 Shares. Each of the Offeror and the Holdco is wholly owned by City Lead, which is held as to 40% by Forward Elite. Mr. Han Zi Jing is the sole director and sole shareholder of Forward Elite.

- (c) None of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" in the Takeovers Code but excluding any exempt principal traders and exempt fund managers, owned or controlled any Shares or shares of the Offeror or the Holdco or any convertible securities, warrants, options or derivatives in respect of any Shares or shares of the Offeror or the Holdco;
- (d) There was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert in the Takeovers Code, or any of the Company's associates by virtue of classes (2), (3) or (4) of the definition of "associate" under the Takeovers Code, and any other person;
- (e) No fund managers (other than exempt fund managers) connected with the Company had managed any Shares or shares of the Offeror or the Holdco or any convertible securities, warrants, options or derivatives in respect of any Shares or shares of the Offeror or the Holdco on a discretionary basis; and
- (f) None of the Company or the Directors had borrowed or lent any Shares or shares of the Offeror or the Holdco or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares or shares of the Offeror or the Holdco.

6. DEALING IN SECURITIES

During the Relevant Period:

- (a) None of the Company, any of its subsidiaries, nor any Directors had dealt for value in any shares of the Offeror or the Holdco or any other convertible securities, warrants, options or derivatives in respect of any shares of the Offeror or the Holdco.
- (b) None of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of any Shares.
- (c) None of the subsidiaries of the Company, or pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” in the Takeovers Code but excluding exempt principal traders and exempt fund managers had dealt for value in any Shares or shares of the Offeror or the Holdco or any convertible securities, warrants, options or derivatives in respect of any Shares or shares of the Offeror or the Holdco.
- (d) No fund managers connected with the Company (other than exempt fund managers) who managed funds on a discretionary basis had dealt for value in any Shares or shares of the Offeror or the Holdco or any other convertible securities, warrants, options or derivatives in respect of any Shares or shares of the Offeror or the Holdco.
- (e) No person between whom there is arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code and the Company, or any person who is presumed to be acting in concert with the Company virtue of classes (1), (2), (3) and (5) of the definition of acting in concert in the Takeovers Code, or any of the Company’s associates by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or shares of the Offeror or the Holdco or any convertible securities, warrants, options or derivatives in respect of any Shares or shares of the Offeror or the Holdco.

7. LITIGATION

As disclosed in the 2020 Annual Report, in 2014, a supplier of the Group in China (the “**Supplier**”) factored its accounts receivable allegedly due from the Group (the “**Accounts Receivable**”) under certain supply contracts (the “**Purported Supply Contracts**”) to certain financial institutions in China. Whilst the Purported Supply Contracts were allegedly entered into with a subsidiary of the Company, the Group has confirmed that none of them is an authentic supply contract to which it is a party. When the Accounts Receivable remained unpaid, the financial institutions commenced legal

proceedings against, among others, the Company's subsidiary to recover an aggregate amount of approximately RMB115 million. As the Group confirmed that it had not entered into any of the Purported Supply Contracts, the Group treated the Purported Supply Contracts as being contractual fraud and reported the cases to the competent police authority. The directors, taking into account the advice from the Group's legal counsel, believe that the Group has a valid defence in law to the allegations against it and, accordingly, have not provided for any potential claim arising from the litigations, other than the related legal and other costs.

On 8 January 2016, the Group received a notice from a District Court in the PRC (the "Court") stating that a plaintiff has initiated legal action against the Supplier and that the Court has ruled in such plaintiff's favor and has frozen the Supplier's right to receive payment from the Group for the settlement of any outstanding liability between the Supplier and the Group. Total outstanding liability owed by the Group to the Supplier was RMB31.6 million. The Court has issued a compulsory order requiring the Group to remit an outstanding sum of about RMB17.6 million owing by the Group to the Supplier into the bank account of the Court. On 5 August 2016, the Court issued another compulsory order requiring the Group to remit the remaining outstanding sum of about RMB14.0 million owed by the Group to the Supplier to the bank account of the Court. The directors, taking into consideration the advice of the Group's legal counsel, believe that this development will not result in the Group being liable for additional liability exceeding the outstanding liability already taken up in the accounts under other payables and accruals, between the Supplier and the Group.

On 15 November 2018 and 24 April 2019, the trials of the case were held on Foshan Intermediate People's Court. On 8 July 2019, the Group received the civil judgement made by the Foshan Intermediate Court. According to the case judgement, the Foshan Intermediate Court held that the underlying transaction of the Purported Supply Contracts did not exist, and ruled that the Group shall not be responsible for any debts against the plaintiff. As at the Latest Practicable Date, the Group was advised that the Plaintiff has filed an appeal to Guangdong Higher People's Court and the appeal was still in service process.

On 15 April 2020, the plaintiff filed a second petition for appeal to the Guangdong Higher People's Court, explaining that the first petition did not elaborate its grounds for appeal in a complete and systematic manner due to lack of time. On 26 November 2020, the Guangdong Higher People's Court held a court session, hearing the case on the second petition. According to the Handling Attorney, as of 18 January 2021, there was no other information or progress with respect to the case. The parties were waiting for a judgment or ruling to be made by the Guangdong Higher People's Court in connection with the second appeal.

The Handling Attorney had orally expressed that the second appeal was without merit. Based on documents provided to our legal advisors and the analysis made in their 2018 Memo, the 2019 Memo and the 2020 Memo, they maintained their understanding that the risk of the Group losing the case and having to compensate the plaintiff was relatively low.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and so far as the Directors are aware of, no litigation, arbitration or claim of material importance is pending or threatened by or against the Company or any of its subsidiaries.

8. MATERIAL CONTRACTS

The Group has not entered into any material contract (being a contract not entered into in the ordinary course of business carried on or intended to be carried on by the members of the Group) within the two years immediately preceding the commencement of the Offer Period, and up to and including the Latest Practicable Date, which is or may be material.

9. DIRECTORS' SERVICE CONTRACTS

Save as disclosed in this section 9, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Group or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) had been entered into, or amended within six months before the date of commencement of the Offer Period; (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period:

Directors	Title	Commencement date of the service contract	Expiry date of the service contract	Notice Period	Remuneration (Note 1)
Peter Cosgrove	Non-executive director	1 January 2020	31 December 2022	3 months	HK\$450,000 per annum
Liang Chen	Non-executive director	27 October 2020	26 October 2023	3 months	HK\$0 per annum
Stephen Hon Chiu Wong	Non-executive director	27 October 2020	26 October 2023	3 months	HK\$0 per annum
Fei Fei Shum	Non-executive director	27 October 2020	26 October 2023	3 months	HK\$0 per annum
Robert Gazzi	Independent non-executive director	9 August 2019	8 August 2022	3 months	HK\$500,000 per annum
Li Ping	Independent non-executive director	25 September 2020	25 September 2023	3 months	HK\$250,000 per annum

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any other member of the Group nor were there any other service agreements proposed to be entered into by any of the Directors which would not expire or be determinable by the Group within one year without payment of compensation (other than statutory compensation).

Note:

- (1) Some Directors serve as a Board committee member from time to time during the term of their service contracts and receive variable remuneration for such roles, the amount of which is determined by the Board on an annual basis. For details, please refer to the section headed "Directors' and Chief Executive's Remuneration" in the Notes to Financial Statements in the 2020 Annual Report, which was published on the websites of the Company (<http://www.clear-media.net/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0425/2021042500013.pdf>).

10. EXPERTS AND CONSENT

The following are the names and qualification of the experts who had been engaged by the Company and who have been named in this Composite Document or who have given their opinion or advice, which is contained in this Composite Document:

Name	Qualification
Somerley	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee

Somerley has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter and references to its name in the form and context in which it appears.

11. MISCELLANEOUS

- (a) As at the Latest Practicable Date, no arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there was no agreement or arrangement between any Directors and any other person which was conditional on or dependent upon the outcome of the Offer or is otherwise connected with the Offer.
- (c) As at the Latest Practicable Date, there was no material contract entered into by the Offeror in which any Director has a material personal interest.
- (d) The registered address of the Company is Clarendon House, 2 Church Street, Hamilton, HM11 Bermuda.

- (e) The principal place of business of the Company in Hong Kong is at Room 1202, 12th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (f) The Hong Kong Share Registrar of the Company is Tricor Tengis Limited at Level 54, Hopewell Centre 183 Queen's Road East, Hong Kong.
- (g) The principal business address of Somerley is 20/F, China Building, 29 Queen's Road Central, Hong Kong.
- (h) The English texts of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts, in case of any inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection on (i) on the websites of the SFC at www.sfc.hk and the Company at <http://www.clear-media.net/>; and (ii) during normal business hours from 9:00 a.m. to 5:00 p.m. on any Business Day at the principal place of business of the Company in Hong Kong at Room 1202, 12th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong during the period from the date of this Composite Document up to as long as the Offer remain open for acceptance:

- (a) the memorandum and bye-laws of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the memorandum and articles of association of the Holdco;
- (d) the annual reports of the Company for the two financial years ended 31 December 2019 and 2020 respectively;
- (e) the letter from CLSA Limited and CICC;
- (f) the letter from the Board, the text of which is set out in this Composite Document;
- (g) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (h) the letter from the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (i) the letter setting out the estimate of value of the Holdco Shares from CLSA Limited and CICC, the text of which is set out in this Composite Document;
- (j) the service contracts referred to under the section headed "9. Directors' service contracts" in this Appendix;

- (k) (i) the written consent referred to under the section headed “10. Experts and Consent” in this Appendix and (ii) the written consent referred to under the section headed “Consents” of Appendix V of this Composite Document;
- (l) the Irrevocable Undertaking;
- (m) the Forward Elite Holdco Deed of Undertaking;
- (n) the Shareholders’ Agreement; and
- (o) the CNCBI Facility Agreement, the first deed of amendment to the CNCBI Facility Agreement and the second deed of amendment to the CNCBI Facility Agreement as disclosed in the paragraph headed “Confirmation of financial resources” in the “Letter from CLSA Limited and CICC” of this Composite Document.

RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Offeror and parties acting in concert with it) contained in this Composite Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than opinions expressed by the Offeror Directors, Mr. Han Zi Jing, Antfin Directors, JCDI Directors, JCDecaux Directors and CWG Fund Director) in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this composite document, the omission of which would make any statement in this Composite Document misleading.

The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, Han Group, Antfin, JCDecaux Group and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this composite document (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors, JCDI Directors, JCDecaux Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this composite document misleading.

The sole director of Forward Elite Holdings Limited, i.e., Mr. Han Zi Jing, accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, Antfin, JCDecaux Group and CWG Fund), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this composite document (other than opinions expressed by the Directors, Antfin Directors, JCDI Directors, JCDecaux Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

The Antfin Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, Han Group, JCDecaux Group and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this composite document (other than opinions expressed by the Directors, Mr. Han Zi Jing, JCDI Directors, JCDecaux Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

The JCDI Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, Han Group, Antfin and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors and CWG Fund Director) have been arrived at after due and careful

consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

The JCDecaux Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, Han Group, Antfin and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this composite document (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

The sole director of JT China Wealth Management Limited (acting in its capacity as a general partner of CWG Fund) accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, Han Group, Antfin and JCDecaux Group), and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this composite document (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors, JCDI Directors and JCDecaux Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

Share capital

- (a) As at the Latest Practicable Date, the authorised share capital of the Holdco was US\$10,000 divided into 1,000,000,000 Holdco Shares.
- (b) As at the Latest Practicable Date, 63,944,974 Holdco Shares were issued and held by City Lead. The Holdco Shares to be transferred to the Offer Shareholders who elect Share Alternative will be free from all encumbrances, credited as fully paid up and will rank *pari passu* with the existing Holdco Shares at the date of issue.
- (c) If the Holdco shall be wound up, and the assets available for distribution amongst the shareholders of the Holdco as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the shareholders of the Holdco in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the Holdco Shares held by them respectively. And if in a winding up the assets available for distribution amongst the shareholders of the Holdco shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the shareholders in proportion to the capital paid up at the commencement of the winding up on the Holdco shares held by them respectively.

- (d) There is no dividend policy and no guarantee that any dividends will be paid, nor is there any dividend payment schedule, in respect of the Holdco Shares. The board of directors of the Holdco may from time to time declare dividends and distributions on shares of the Holdco outstanding and authorise payment of the same out of the funds of the Holdco lawfully available, and the Holdco may declare dividends by ordinary resolution (up to a maximum amount as recommended by the board of directors of the Holdco), provided that any such ordinary resolution of a duly constituted general meeting of the Holdco must be passed by a simple majority of the votes cast by, or on behalf of, the shareholders of the Holdco entitled to vote in favor of such resolution. Payment of dividends (if any) is dependent on such payment being recommended or declared by the board of directors of the Holdco. Please refer to the section headed "THE OFFER — Corporate Governance of the Holdco — (c) Distributions" in the section headed "Letter from CLSA Limited and CICC" in this Composite Document.
- (e) The shareholders of the Holdco shall be entitled to receive notice of and attend general meetings of the Holdco and shall have the right to one vote per each Holdco Share at such meetings. At any general meeting of the Holdco, a resolution put to the vote of the general meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the chairman or any other shareholder present in person or by proxy. For matters requiring the authority of a special resolution, please refer to the section headed "THE OFFER — Corporate Governance of the Holdco — (b) Matters subject to Holdco shareholders' approval" in the section headed "Letter from CLSA Limited and CICC" in this Composite Document.
- (f) As at the Latest Practicable Date, there were no options, warrants, derivatives or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Holdco Shares.
- (g) There had been no change to the issued share capital of the Holdco and no Holdco Shares have been bought back since May 26, 2021, the date to which the Holdco has been incorporated, and up to the Latest Practicable Date.
- (h) There was no reorganisation of capital of the Holdco during the two financial years preceding the commencement of the Offer Period.

DISCLOSURE OF INTERESTS IN THE COMPANY

The Offeror confirms that, as at the Latest Practicable Date, save as disclosed below, none of the Offeror, the Offeror Directors, or any person acting in concert with any of them, owned or controlled any Shares, convertible securities, warrants, options or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares:

Name of Shareholder	Capacity	Number of Shares	Percentage of holding
The Offeror (<i>Note</i>)	beneficial interest	477,755,526	88.20%

Note: The Offeror is wholly owned by City Lead, which is held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund. Each of City Lead, Antfin, JCDI and CWG Fund is deemed to be interested in the 477,755,526 Shares held by the Offeror pursuant to the Shareholders Agreement under the SFO.

Forward Elite is wholly owned by Mr. Han Zi Jing. So Mr. Han Zi Jing is deemed to be interested in the 477,755,526 Shares held by the Offeror by virtue of the SFO.

Antfin is wholly owned by Hangzhou Yunqiang Enterprise Management Consulting Co., Ltd. (杭州雲鏞企業管理諮詢有限公司), which is in turn wholly owned by Ant Group. Hangzhou Junhan and Hangzhou Junao hold approximately 29.86% and 20.66% (together approximately 50.52%) of Ant Group's total issued shares, respectively. Hangzhou Yunbo is the executive partner and general partner of, and controls, Hangzhou Junhan and Hangzhou Junao. Mr. Jack Ma holds a 34% equity interest in Hangzhou Yunbo and each of Mr. Eric Jing, Mr. Simon Xiaoming Hu and Ms. Fang Jiang holds a 22% equity interest in Hangzhou Yunbo. Pursuant to a concert party agreement entered into between them and the articles of association of Hangzhou Yunbo, Mr. Jack Ma has ultimate control over Ant Group. Therefore, each of Mr. Jack Ma, Mr. Eric Jing, Mr. Simon Xiaoming Hu and Ms. Fang Jiang, Hangzhou Yunbo, Ant Group and Hangzhou Yunqiang Enterprise Management Consulting Co., Ltd. (杭州雲鏞企業管理諮詢有限公司) is deemed to be interested in the 477,755,526 Shares held by the Offeror by virtue of the SFO.

JCDI is owned as to approximately 99.9999% and 0.0001% by JCDecaux ASIE Holding and JCDecaux Asia (S) Pte Ltd respectively. JCDecaux Asia (S) Pte Ltd is wholly owned by JCDecaux ASIE Holding, which is in turn wholly owned by JCDecaux SA. JCDecaux SA is owned as to approximately 64.67% by JCDecaux Holding, which is in turn owned as to approximately 34.80% by each of Jean-Charles Decaux and Jean-Sebastien Decaux. Therefore, each of JCDI, JCDecaux ASIE Holding, JCDecaux Asia (S) Pte Ltd, JCDecaux ASIE Holding, JCDecaux SA, JCDecaux Holding, Jean-Charles Decaux and Jean-Sebastien Decaux is deemed to be interested in the 477,755,526 Shares held by the Offeror by virtue of the SFO.

CWG Fund's general partner is JT China Wealth Management Limited (which is wholly-owned by Empyrean Management (Hong Kong) Limited (九天管理(香港)有限公司)). CWG Fund's sole limited partner is Empyrean Management (Hong Kong) Limited (九天管理(香港)有限公司), which is in turn wholly-owned by JIC Capital Management (Tianjin) Limited, which is in turn owned as to approximately 75.72% by 建投華科投資股份有限公司. Therefore, each of 建投華科投資股份有限公司, JIC Capital Management (Tianjin) Limited, Empyrean Management (Hong Kong) Limited (九天管理(香港)有限公司) and JT China Wealth Management Limited is deemed to be interested in the 477,755,526 Shares held by the Offeror by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Offeror and parties acting in concert with it did not have any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

SHAREHOLDINGS IN HOLDCO SHARES

As at the Latest Practicable Date, the Holdco had 63,944,974 Holdco Shares in issue, all of which were held by City Lead, which is held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund. Forward Elite is wholly owned by Mr. Han Zi Jing, a director of the Offeror. Save for City Lead holding 63,944,974 Holdco Shares, none of the Offeror, the directors of the Offeror, nor any person acting in concert with any of them, owns or controls any Holdco Shares, convertible securities, warrants, options or derivatives in respect of any Holdco Shares or any other security (as defined under Note 4 to Rule 22 of the Takeovers Code) in respect of any Holdco Shares.

OTHER INFORMATION

As at the Latest Practicable Date:

- (a) save for the 477,755,526 Shares held by the Offeror (which was wholly-owned by City Lead) and 63,944,974 Holdco Shares held by City Lead (which was held as to 40% by Forward Elite, which in turn was wholly-owned by Mr. Han Zi Jing, an Offeror Director), none of the Offeror, the Offeror Directors or the parties acting in concert with the Offeror owned or had control or direction over any voting rights or rights over any Shares or Holdco Shares, options, derivatives, warrants or other securities convertible into Shares or Holdco Shares;
- (b) save for the Irrevocable Undertaking, none of the Offeror or parties acting in concert with it had received any irrevocable commitment to accept or reject the Offer;
- (c) save for the 58,774,450 Shares held by Aimia, Aimia did not own or have control or direction over any voting rights or rights over any Shares or Holdco Shares, options, derivatives, warrants or other securities convertible into Shares or Holdco Shares;
- (d) save for (i) the Irrevocable Undertaking, (ii) the Shareholders' Agreement, (iii) the Forward Elite Deed of Undertaking, (iv) the proposed issue of 477,755,525 Offeror Shares to City Lead in the circumstances described in the paragraph headed "The Share Alternative" in the section headed "Letter from CLSA Limited and CICC" in this Composite Document and (v) the share mortgage executed by City Lead to charge all of its shares in the Offeror in favor of CNCBI and the share mortgage executed by the Offeror to charge the Shares to be acquired by it under the Offer in favor of CNCBI, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Holdco Shares or the Offeror Shares or the Company which exists between the Offeror, or any person acting in concert with the Offeror, and any other person;

- (e) save as disclosed below, none of the persons with whom the Offeror or any person acting in concert with the Offeror had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code owned or had control or direction over any voting rights or rights over any Shares or Holdco Shares, options, derivatives, warrants or other securities convertible into Shares or Holdco Shares;

	Any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code	Persons	Shareholdings in the Holdco and in the Company owned or controlled by the relevant persons
(i)	the Irrevocable Undertaking	Aimia	58,774,450 Shares
(ii)	the Shareholders' Agreement	Forward Elite, Antfin, JCDI, CWG Fund, City Lead and the Offeror	477,755,526 Shares directly held by the Offeror and 63,944,974 Holdco Shares directly held by City Lead
(iii)	the Forward Elite Holdco Deed of Undertaking	Forward Elite	477,755,526 Shares directly held by the Offeror and 63,944,974 Holdco Shares directly held by City Lead
(iv)	the proposed issue of 477,755,525 Offeror Shares to City Lead in the circumstances described in the paragraph headed "The Share Alternative" in the section headed "Letter from CLSA Limited and CICC" in this Composite Document	City Lead	477,755,526 Shares directly held by the Offeror and 63,944,974 Holdco Shares directly held by City Lead
(v)	the share mortgage executed by the Offeror to charge the Shares to be acquired by it under the Offer in favor of CNCBI	CNCBI	6,000 Shares held for non-discretionary clients

- (f) there was no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the Offer;
- (g) none of the Offeror or parties acting in concert with it had entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (h) there was no understanding, arrangement or agreement which constitutes a special deal between the Offeror or parties acting in concert with it on the one hand and any Shareholder on the other hand;
- (i) there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it to the Offer Shareholders or parties acting in concert with any of them in relation to the Offer Shares under the Offer, other than the Offer Consideration;
- (j) there was no arrangement in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offer, and the emoluments of the director of the Holdco will not be affected by the Offer or by any associated transaction;
- (k) none of the Offeror or parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company or in the Holdco (save for any borrowed shares which have been either on-lent or sold); and
- (l) save for the Irrevocable Undertaking, there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or parties acting in concert with it on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Offer.

As at the Latest Practicable Date, there was no understanding, arrangement or agreement which constituted a special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder on the one hand, and (ii)(a) the Offeror and parties acting in concert with it or (b) the Company, its subsidiaries or its associated companies on the other hand.

DEALINGS IN SECURITIES

During the Relevant Period, save for the Irrevocable Undertaking, the share mortgage executed by the Offeror to charge the Shares to be acquired by it under the Offer in favor of CNCBI and the acquisition of one Holdco Share and subscription at par value of 63,944,973 Holdco Shares by City Lead on May 26, 2021 at the total consideration of US\$639.44974:

- (a) none of the Offeror, the Offeror Directors, and parties acting in concert with the Offeror have dealt in any Shares or Holdco Shares, options, derivatives, warrants and/or other securities convertible into Shares or Holdco Shares; and

- (b) none of Aimia or any person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or parties acting in concert with it had dealt for value in any Shares or Holdco Shares, options, derivatives, warrants and/or other securities convertible into Shares or Holdco Shares.

MATERIAL LITIGATION

As at the Latest Practicable Date, the Holdco was not engaged in any litigation of material importance and there was no litigation or claim of material importance known to the director of the Holdco to be pending or threatened by or against the Holdco.

MATERIAL CONTRACTS

There were no material contracts entered into by the Holdco after the date of its incorporation, May 26, 2021, up to and including the Latest Practicable Date, other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Holdco. The Holdco does not have any subsidiaries.

EXPERTS

The names and qualifications of the professional advisers to the Offeror who have been named in this Composite Document or given their opinion or advice which are contained in this Composite Document are set out below:

Name	Qualification
CLSA Capital Markets	a corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
CLSA Limited	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO
CICC	a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO

CONSENTS

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Composite Document with the references to their respective names, logos and qualifications and/or letters in the form and context in which they respectively appear.

GENERAL

As at the Latest Practicable Date:

(a) Set out below are the details of the Offeror:

Place of incorporation	Cayman Islands
Registered address	The offices of Vistra (Cayman) Limited P. O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman, KY1-1205 Cayman Islands
Address of principal office in Hong Kong	Room 1202, 12th Floor The Lee Gardens 33 Hysan Avenue Causeway Bay, Hong Kong
The directors	Mr. Han Zi Jing Ms. Junrong Zhao Mr. Chen Liang Mr. Stephen Hon Chiu Wong Ms. Fei Fei Shum
The shareholders and beneficial owners of the Offeror	The Offeror is wholly owned by City Lead, which is held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund.

The registered office address of City Lead is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. As at the Latest Practicable Date, Mr. Han Zi Jing, Ms. Junrong Zhao, Mr. Chen Liang, Mr. Stephen Hon Chiu Wong and Ms. Fei Fei Shum were the directors of City Lead.

Forward Elite is an investment holding company incorporated in the British Virgin Island with limited liability and Mr. Han Zi Jing is its sole director and sole shareholder. The registered office address of Forward Elite is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

Mr. Han Zi Jing's correspondence address is 3/F, Starry Winking, 4 Hua Ming Road, Tianhe District, Guangzhou 510623, PRC (廣州市天河區華明路四號星匯雲錦三層).

Antfin is an investment holding company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Ant Group. Ant Group is a company incorporated in the PRC and provides digital payment services, digital financial services and digital daily life services for consumers and small and micro businesses in China and across the world. Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (杭州君瀚股權投資合夥企業(有限合夥)) (“**Hangzhou Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership) ((杭州君澳股權投資合夥企業(有限合夥)) (“**Hangzhou Junao**”) hold approximately 29.86% and 20.66% (together approximately 50.52%) of Ant Group's total issued shares, respectively. Hangzhou Yunbo Investment Consulting Co., Ltd. (杭州雲鉞投資諮詢有限公司) (“**Hangzhou Yunbo**”) is the executive partner and general partner of, and controls, Hangzhou Junhan and Hangzhou Junao. Mr. Jack Ma holds a 34% equity interest in Hangzhou Yunbo and each of Mr. Eric Jing, Mr. Simon Xiaoming Hu and Ms. Fang Jiang holds a 22% equity interest in Hangzhou Yunbo. Pursuant to a concert party agreement entered into between them and the articles of association of Hangzhou Yunbo, Mr. Jack Ma has ultimate control over Ant Group.

The registered office address of Antfin is 26/F, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. As at the Latest Practicable Date, Mr. Leiming Chen, Mr. Xinyi Han and Mr. Kai Nin Kenny Man were the directors of Antfin.

JCDI is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of JCDecaux.

The registered office address of JCDI is 1501 Berkshire House, 25 Westlands Road, Quarry Bay, Hong Kong. As at the Latest Practicable Date, Ms. Juliette Cécile Marie Vigier ép. Mouchonnet, Mr. Emmanuel André Bernard Bastide and Mr. Stephen Hon Chiu Wong were the directors of JCDI.

JCDecaux is a company incorporated in France and listed on Euronext Paris (stock code: DEC). The registered office address of JCDecaux is 17 rue Soyer 92200 Neuilly sur Seine, France. As at the Latest Practicable Date, Mr. Jean-François Decaux, Mr. Jean-Charles Decaux, Mr. David Bourg, Mr. Emmanuel André Bernard Bastide and Mr. Daniel Hofer were the members of the Executive Board (le Directoire) of JCDecaux.

CWG Fund is an exempted limited partnership registered under the laws of the Cayman Islands, whose general partner is JT China Wealth Management Limited (which is wholly-owned by Empyrean Management (Hong Kong) Limited (九天管理(香港)有限公司)) and whose sole limited partner is Empyrean Management (Hong Kong) Limited, which is in turn wholly-owned by JIC Capital Management (Tianjin) Limited, a PRC state-owned enterprise, and is indirectly wholly-owned by Central Huijin Investment Ltd, a PRC state-owned enterprise, and is principally engaged in private equity investment.

The registered office address of CWG Fund is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. As at the Latest Practicable Date, Ms. Fei Fei Shum was the sole director of JT China Wealth Management Limited, the general partner of CWG Fund.

- (b) The registered office of CLSA Capital Markets and CLSA Limited is situated at 18/F, One Pacific Place, 88 Queensway, Hong Kong. The registered office of CICC is 29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (c) In case of inconsistency, the English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text of the respective documents.

The Directors
Ever Harmonic Global Limited
Vistra (Cayman) Limited of P. O. Box 31119 Grand Pavilion,
Hibiscus Way, 802 West Bay Road,
Grand Cayman, KY1-1205
Cayman Islands

August 3, 2021

**VOLUNTARY CONDITIONAL OFFER BY CLSA LIMITED AND
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED FOR AND ON BEHALF OF EVER HARMONIC
GLOBAL LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF
CLEAR MEDIA LIMITED (OTHER THAN THOSE SHARES OWNED
OR AGREED TO BE ACQUIRED BY EVER HARMONIC GLOBAL
LIMITED OR PARTIES ACTING IN CONCERT WITH IT)**

ESTIMATE OF VALUE OF HOLDCO SHARES

Dear Sirs,

We refer to the document of even date jointly issued by Ever Harmonic Global Limited and the Company (the “**Composite Document**”) of which this letter forms part. Capitalised terms used in this letter will, unless otherwise stated, have the same meaning given to them in this Composite Document.

Pursuant to the requirements of the Takeovers Code, you have requested us to provide you with an estimate of value of the Holdco Shares (the “**Estimate of Value**”). Under the Offer, the Offer Shareholders may elect to receive (i) **the Cash Alternative**: cash of HK\$7.12 for every Offer Share; or (ii) **the Share Alternative**: 1 Holdco Share for every Offer Share held. The Holdco Shares are unlisted and there is therefore no reference for a publicly traded price.

PURPOSE

The Estimate of Value has been provided to the Offeror solely for the purposes of Paragraph 30 of Schedule I to the Takeovers Code, and shall not be used or relied upon for any other purpose whatsoever, and is not made on behalf of, and shall not confer rights or remedies upon, any third party. It is to be emphasized that the Estimate of Value contained herein is an estimated value of each Holdco Share based on certain assumptions and therefore does not necessarily reflect the actual value of Holdco Shares. This letter is not addressed to any third party and the contents of it may not be relied upon by any third party for any purpose whatsoever; and CLSA Limited and CICC expressly disclaim any duty or liability to any third party with respect to the contents of this letter. Except for its inclusion in this Composite Document, this letter may not be quoted or referred to, in whole or in part, nor may any other public reference to CLSA Limited and CICC be made, without our prior written consent.

This letter sets out an Estimate of Value of each Holdco Share assuming the Offer has become or has been declared unconditional and such Holdco Share is in issue as at the date of this letter.

The Estimate of Value does not represent the value that a holder of a Holdco Share may realize on any future sale – and such a value may be higher or lower than the figure in this letter. CLSA Limited and CICC assume no obligation to reaffirm, update or revise the Estimate of Value based upon circumstances or events occurring after the date hereof. Additionally, the Estimate of Value is based on the announced value of HK\$7.12 per Offer Share under the Cash Alternative, on which CLSA Limited and CICC express no opinion and give no representation.

In providing the Estimate of Value, CLSA Limited and CICC express no opinion and make no recommendation to any person as to whether they should accept the Offer or whether they should make any election to choose the Cash Alternative or the Share Alternative. Further, CLSA Limited and CICC express no opinion as to the fairness of the amount of the Cash Alternative and/or the number and nature of shares comprised in the Share Alternative as referenced in the Offer.

ASSUMPTIONS

For the purposes of our analysis, we have made the following major assumptions:

- i. There exists a willing buyer and seller, neither being under any compulsion to buy or sell, dealing on an arm's length basis, each having knowledge of all relevant facts;
- ii. As at the date of this letter, the Offer has become or has been declared unconditional in all respects and the Company is a wholly owned subsidiary of the Offeror;
- iii. The Holdco Shares issued in connection with the Offer comprise the entire issued share capital of the Holdco and no person has any right to acquire or subscribe any share or loan capital of the Holdco other than the Holdco Shares issued in connection with the Offer. Such shares have been issued pursuant to the terms of the Offer free from all encumbrances, credited as fully-paid, non-assessable, and ranking *pari passu* with all issued shares in the Holdco, including the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of their issue;
- iv. The Holdco was established for the sole purpose of the Offer and we have assumed that when the Offer becomes effective, the Offeror's turnover, profits, assets and liabilities (on a consolidated basis) will be the same as those of the Company, save for the External Financing and any cash balance that may remain in the Offeror immediately after the Offer related to the repayment of External Financing or that was not required to finance the amount payable in cash to Offer Shareholders under the Offer;

- v. Any Shares in the issued share capital of the Company acquired by the Offeror have been acquired free from all liens, options and third party rights and together with the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of this letter;
- vi. Other than the Shares already owned by the Offeror prior to the Offer, the Shares subject to the Offer comprise the entire issued share capital of the Company and, no person other than the Offeror has any right to acquire or option to subscribe for any share or loan capital of the Company and no share capital of the Company is disposed of nor any right granted over or in respect of it at any future date;
- vii. No dividend or other distribution (whether in cash or in kind) shall be declared, made or paid by the Company to the Shareholders between the date of the Rule 3.5 Announcement and completion of the Offer, and any further dividend or distribution shall be subject to the consent of the Offeror;
- viii. The Offeror, the Holdco and the Company exist on a continuing basis;
- ix. The Holdco Shares are unlisted and are valued on this basis. Whilst it is not possible to give a precise measure of the discount to reflect, among other things, the lack of marketability, the rights of the shareholders of the Holdco and no methodological analysis can be undertaken for the purposes of estimating such a discount, for the purposes of calculating our range of Estimate of Value, we have assumed a range of discounts of 0-30% to an equivalent listed security to reflect, among other things, the lack of marketability and such shareholders' rights. We believe such range of discounts is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatization precedents in Hong Kong which involves unlisted shares being offered as an alternative transaction consideration and which adopts an illiquidity discount methodology to assess the value of the unlisted shares. In evaluating the level of discount applied, we have identified the following general offer/privatisation cases since 2013 which involved valuation of unlisted shares, and noted that a lack of marketability/shareholders' rights discount of 30% was applied to derive the low-end value of the unlisted shares under the share alternative in each of the respective cases:

Date of scheme/ composite document	Company (stock code)	Discount applied
26 January 2021	Huifu Payment Limited (1806)	30%
20 June 2019	China Power Clean Energy Development Co Ltd (735)	30%
5 September 2016	Nirvana Asia Ltd (1438)	30%
23 July 2013	Yashili International Holdings Ltd (1230)	30%

- x. We have relied on and assumed, without independent verification, the accuracy and completeness of the information reviewed by us (including but not limited to the management accounts of the Offeror and the Holdco, which specify the amount of cash, assets, indebtedness and liabilities that are expected to remain in the Offeror and the Holdco immediately following the Offer, including the External Financing) for the purposes of the Estimate of Value; and we have not assumed and do not assume any responsibility or liability in relation thereto. We have not made any independent valuation or appraisal of the assets and liabilities of the Company, nor have we sought or been provided with any such valuation or appraisal. The Estimate of Value is necessarily based on financial, economic, market, regulatory and other conditions in effect, and the information made available to us, as at the date of this letter. It should be understood that subsequent developments may affect the Estimate of Value contained in this letter;
- xi. The taxation of individual shareholders will vary and we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding these may be significant in the case of some shareholders;
- xii. An exchange rate of HK\$1.201 to RMB1.00 and HK\$7.76 to US\$1.00;
- xiii. The Offeror will pay HK\$7.12 per Offer Share to every Offer Shareholder selecting the Cash Alternative; and
- xiv. The Company and its subsidiaries will continue to operate in the ordinary course as a going concern and are not subject to any material adverse event; the assets and liabilities of the Company (on a consolidated basis) are fairly reflected in the Company's annual report comprising its consolidated accounts for the fiscal year ended 31 December 2020 and which were published on 25 April 2021 (the "Last Accounts"); Neither the Company nor any of its subsidiaries disposes of any asset for less than its fair value (as reflected in the Last Accounts) nor suffers or incurs any liability, other than in the ordinary course of business.

METHODOLOGY

In our Estimate of Value, we derive ranges of value for Holdco Shares which reflect the estimated value of such shares hypothetically assuming for the purpose of calculating the top end of the range that they are listed and freely tradable, and for the purpose of calculating the bottom end of the range we have assumed a discount of 30% to reflect, among other things, the lack of marketability and shareholders' rights.

The estimated value of the Holdco Shares is equal to the total estimated value of the Offeror Shares to be issued to the Holdco, while the estimated value the Offeror Shares is based on the total estimated value of the Shares and the amount of any cash, assets, indebtedness and liabilities other than the Shares. As such, at the top end of our range, the total value of the Holdco Shares is assumed to be calculated as:

$$[(a) - (b) + (c)] \times (d) + (e)$$

Where (a), (b), (c), (d) and (e) are defined as follows:

- (a) the estimated value of all of the outstanding Shares;
- (b) the effective external debt financing incurred or to be incurred by the Offeror which is not covered by a corresponding Offeror Repayment Inter-Shareholder Loan or Forward Elite Payable;
- (c) any cash that may remain in the Offeror which is not charged pursuant to the CNCBI Facility Agreement;
- (d) the percentage of the Holdco's shareholding in the Offeror on an enlarged basis; and
- (e) any cash that may remain in the Holdco.

Following the implementation of the Offer, the Holdco will not own any other assets or any other liabilities except for the Offeror Shares and any cash on hand. As a result, the estimated value of the Holdco Shares is equal to $[(a) - (b) + (c)] \times (d) + (e)$.

In deriving a value for (a) at the top end of the range, we have used a value of HK\$7.12 per Share which is equivalent to the value per Share under the Cash Alternative. Additionally, the Estimate of Value is based on the announced value of HK\$7.12 per Share under the Cash Alternative on which CLSA Limited and CICC express no opinion or representation. Based on the Offeror's financing structure and repayment mechanism for the External Financing, Forward Elite shall be responsible for repayment of the External Financing and the relevant funds of the Offeror (if any) used to repay the External Financing will be repaid by Forward Elite as Offeror Repayment Inter-Shareholder Loans and/or Forward Elite Payables, and thus we have used HK\$0 as the value for (b), while the cash on hand which is not charged pursuant to the CNCBI Facility Agreement for the Offeror would be HK\$ 0 immediately following the Offer, being the value for (c). The share capital when the Holdco was established minus any repurchase of Holdco Shares at par value as described in the section headed "The Share Alternative" in the "Letter from CLSA Limited and CICC" of this Composite Document has been used in deriving a value for (e), as no other cash inflows or outflows are anticipated to occur during and immediately after the Offer. It is currently estimated that: (i) where only Aimia elects the Share Alternative, the Offeror Shares issued to the Holdco would be 58,774,450 and the Holdco will hold approximately 10.85% of total Offeror Shares accordingly, (ii) where all Offer Shareholders elect the Share Alternative, the Offeror Shares issued to the Holdco would be 63,944,974 and the Holdco will hold approximately 11.80% of total Offeror

Shares accordingly. The exact number of the Offeror Shares issued to the Holdco is dependent on the level of acceptances of the Share Alternative and, as such, this range of values has been used in deriving a value for (d).

As stated above, we have derived the lower end of the range for the estimate of value for each Holdco Share, by assuming a 30% discount to the value calculated above to reflect the lack of marketability and shareholders' rights, of an unlisted share.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, including, but not limited to, the above qualitative factors, the effects of which are difficult to predict. Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which the Holdco Shares might actually trade as at the date hereof or at any future date; (ii) the amount which might be realised upon a sale of a Holdco Share to a third party; or (iii) the amount that might be realized by a holder of a Holdco Share on liquidation of the Holdco. Our Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing market conditions, the financial conditions and prospects of the Holdco and other factors which generally influence the valuation of companies and securities. As a result, there can be no assurance that the actual price of a Holdco Share will not be higher or lower than the Estimate of Value.

- (i) Assuming only Aimia elects the Share Alternative:

At the top end of the range, we derive our value of the Holdco Shares as follows:

- (a) is equal to approximately HK\$3,856,907,560 which is the estimated value of all of the outstanding Shares (calculated by multiplying the Cash Alternative of HK\$7.12 per Share by the number the Shares in issue of 541,700,500);
- (b) is equal to HK\$0;
- (c) is equal to HK\$0;
- (d) is equal to approximately 10.85%; and
- (e) is equal to approximately HK\$4,561.

This implies a total value of Holdco Shares of approximately HK\$418,478,645. Based on the number of Holdco Shares in issue of 63,944,974 shares minus the remaining 5,170,524 shares of the Holdco repurchased upon the completion of the Offer, this implies a value per Holdco Share of HK\$7.12 at the top end of the range.

At the bottom end of the range, we derive our value of the Holdco Shares as follows:

Assuming a 30% discount of non-marketability of the Holdco Shares, this implies a value per Holdco Share of HK\$4.98 at the bottom end of the range.

- (ii) Assuming all Offer Shareholders elect the Share Alternative:

At the top end of the range, we derive our value of the Holdco Shares as follows:

- (a) is equal to approximately HK\$3,856,907,560 which is the estimated value of all of the outstanding Shares (calculated by multiplying the Cash Alternative of HK\$7.12 per Share by the number of Shares in issue of 541,700,500);
- (b) is equal to HK\$0;
- (c) is equal to HK\$0;
- (d) is equal to approximately 11.80%; and
- (e) is equal to approximately HK\$4,962.

This implies a total value of the Holdco Shares of approximately HK\$455,293,177. Based on the number of Holdco Shares in issue of 63,944,974 shares, this implies a value per Holdco Share of HK\$7.12 at the top end of the range.

At the bottom end of the range, we derive our value of the Holdco Shares as follows:

Assuming a 30% discount for non-marketability of the Holdco Shares, this implies a value per Holdco Share of HK\$4.98 at the bottom end of the range.

	(i) Assuming only Aimia elects the Share Alternative	(ii) Assuming all Offer Shareholders elect the Share Alternative
(a) the estimated value of all of the outstanding Shares	HK\$3,856,907,560	HK\$3,856,907,560
(b) the effective external debt financing incurred or to be incurred by the Offeror which is not covered by a corresponding Offeror Repayment Inter-Shareholder Loan or Forward Elite Payable	HK\$0	HK\$0
(c) any cash that may remain in the Offeror which is not charged pursuant to the CNCBI Facility Agreement	HK\$0	HK\$0
(d) Holdco's percentage of shareholding in the Offeror	10.85%	11.80%
(e) any cash that may remain in the Holdco	HK\$4,561	HK\$4,962
Total value of the Offeror Shares issued to the Holdco	HK\$418,478,645	HK\$455,293,177
Number of Holdco Shares in issue	58,774,450	63,944,974
Top end value per Holdco Share	HK\$7.12	HK\$7.12
Bottom end value per Holdco Share (Assuming a 30% discount for non-marketability of the Holdco Shares)	HK\$4.98	HK\$4.98

Under both scenarios shown above where only Aimia has undertaken to elect the Share Alternative or all Offer Shareholders elect the Share Alternative, each of the Holdco Shares has an estimated value of HK\$7.12 at the top end of the range and an estimated value of HK\$4.98 at the bottom end of the range. For all scenarios in between the two shown above, where a proportion of the Offer Shareholders elect either of the Cash Alternative or the Share Alternative, the Estimate of Value for each of the Holdco Shares remains the same at HK\$7.12 at the top end of the range, and an estimated value of HK\$4.98 at the bottom end of the range.

In determining the Estimate of Value, we have not taken into account, among other things, any financial projections of the Company for the year ended 31 December, 2021 and beyond.

No account has been taken of any potential transaction costs that a holder of the Shares may incur in regard to accepting the Offer, or in any attempted or actual sale of Holdco Shares.

No account has been taken of any potential transaction costs that a holder of Holdco Shares may incur, or any potential costs that might be associated with a sale of the Holdco to a third party or a liquidation of the Holdco, which might be expected to reduce any return to a holder of a Holdco Share upon the occurrence of such an event.

We have produced the Estimate of Value using these methodologies and taken into account the information, factors, assumptions and limitations set out above.

ESTIMATE OF VALUE

On the basis of the above assumptions and methodology adopted by us and subject to the foregoing, the Estimate of Value as defined in this letter is within a range of between HK\$4.98 and HK\$7.12 for each Holdco Share. This Estimate of Value does not represent a formal opinion of the value of a Holdco Share or a Share by CLSA Limited and CICC.

Under the Share Alternative, each Shareholder is entitled to receive 1 Holdco Share for every Offer Share held. This implies a value of approximately HK\$4.98 to HK\$7.12 for each Share.

GENERAL

CLSA Limited is acting as the Lead Financial Adviser and CICC as the Joint Financial Adviser to the Offeror in relation to the Offer and not to anyone else in connection with the Offer. CLSA Limited and CICC will not be responsible to anyone other than the Offeror for providing advice in relation to the Offer, the contents of this Composite Document or any other matter referred to in this Composite Document.

Shareholders are urged to read carefully all the information contained in this Composite Document.

The value of a Holdco Share may be impacted by the factors described in this letter.

Further, in providing the Estimate of Value, CLSA Limited and CICC express no opinion or recommendation to any person as to whether they should accept the Offer or whether they should make any election to choose the Cash Alternative or the Share Alternative. Shareholders are recommended to seek their own independent financial advice. Further, CLSA Limited and CICC express no opinion as to the fairness of the amount of the Cash Alternative and/or the number and nature of shares comprised in the Share Alternative as referenced in the Offer.

Yours faithfully,
For and on behalf of
CLSA Limited
Edmund Chan
Managing Director, Head of M&A

Yours faithfully,
For and on behalf of
China International
Capital Corporation Hong Kong
Securities Limited
Yongren Chen
Managing Director
Li Jie
Executive Director

(Effective subject to the Offer becoming or being declared unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative)

AMENDED AND RESTATED MEMORANDUM

AND

ARTICLES OF ASSOCIATION OF

EVER HARMONIC GLOBAL LIMITED

永和環球有限公司

(adopted by a special resolution passed on [●], 2021)

Incorporated on the 2nd day of August, 2019

INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES ACT (2021 Revision)
Company Limited by Shares

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION OF

EVER HARMONIC GLOBAL LIMITED

永和環球有限公司

1. The name of the Company is EVER HARMONIC GLOBAL LIMITED 永和環球有限公司.
2. The Registered Office of the Company shall be at the offices of Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (a) (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
 - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
 - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
 - (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages,

debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.

- (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
- (e) To stand surety for or to guarantee, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration thereof.
- (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

- 4. Except as prohibited or limited by the Statute, the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient

in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the Laws of the Cayman Islands when so licensed under the terms of such Laws.

5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
6. The share capital of the Company is US\$50,000.00 divided into 5,000,000,000 shares of a nominal or par value of US\$0.00001 each with power for the Company insofar as is permitted by Law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Statute and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in this Memorandum of Association, the Company shall have no power to issue bearer shares, warrants, coupons or certificates.
7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Statute and, subject to the provisions of the Statute and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the Laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

We, the undersigned, are desirous of being formed into a Company pursuant to this Memorandum of Association and the Statute, and we hereby agree to take the numbers of shares set opposite our name below.

For and on behalf of
Vistra (Cayman) Limited
Corporation
Of P.O. Box.31119
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205
Cayman Islands

(Sd.) Authorised Signatory
Teria McLaughlin

Dated [●]th day of [●] 2021

WITNESS to the above signature:-

(Sd). Valdreen Lindo
of P.O. Box 31119
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205,
Cayman Islands

THE COMPANIES ACT (2021 Revision)
Company Limited by Shares

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION OF

EVER HARMONIC GLOBAL LIMITED

永和環球有限公司

1. In these Articles Table A in the Schedule to the Statute does not apply and, unless there be something in the subject or context inconsistent therewith:

“Affiliate”	means, with respect to a Person, (a) in the case where such given Person is not a natural person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, and (b) in the case where such given Person is a natural person, (i) an Immediate Family Member of such given Person, or (ii) any other Person that is Controlled by such given Person and his Immediate Family Member(s), whether individually or collectively; provided that none of the Company, City Lead or any Target Group Company shall be considered an “Affiliate” of any Member.
“Articles”	means the Articles as originally framed or as from time to time altered by Special Resolution.
“Auditors”	means the persons for the time being performing the duties of auditors of the Company.
“Business Day”	means a day on which Stock Exchange is open for the transaction of business, but other than any such day on which commercial banks in the PRC are required or authorised by Law to be closed.
“Board”	means the board of directors of the Company.

“City Lead”	means City Lead Developments Limited (城領發展有限公司), a business company incorporated under the Laws of the British Virgin Islands with its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
“Company”	means Ever Harmonic Global Limited (永和環球有限公司).
“Control”	of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person; the term “Controlled”, “Controller” or “Controlling” has the meaning correlative to the foregoing.
“Consolidated Affiliate”	means, in respect of a Person, a body corporate which is or is required to be consolidated with such Person pursuant to accounting principles applicable to such Person.
“debenture”	means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not.
“Directors”	means the directors for the time being of the Company.
“dividend”	includes bonus.

“Encumbrance”	means any mortgage, pledge, lien, charge, hypothecation, encumbrance or other security interest, security agreement or other security arrangement of any kind in favour of the Secured Party including, but not limited to, the Parent Debenture.
“Equity Securities”	means, with respect to a Person, any shares, share capital, registered capital, ownership interest, equity interest, or other securities, and any option, warrant, or right to subscribe for, acquire or purchase any of the foregoing, or any other security or instrument convertible into or exercisable or exchangeable for any of the foregoing, or any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person.
“Facility Agent”	means China CITIC Bank International Limited in its capacity as facility agent under the Facility Agreement, including its successors in title, assigns and transferees.
“Facility Agreement”	means the facility agreement dated 27 March 2020 and entered into between, amongst others, the Facility Agent as the facility agent and the Company as the borrower in respect of a loan facility in an amount of up to HKD1,600,000,000 (as amended from time to time, including pursuant to the second deed of amendment to such facility agreement dated 2 July 2021).
“Finance Document(s)”	has the meaning given to such term in the Facility Agreement.
“Finance Documents Liabilities”	means the full amount of the borrowings and payment of interest payable under the Finance Documents and any other costs, fees, expenses, damages, losses, liabilities or other obligations of Ever Harmonic, City Lead, Target or any of its subsidiaries incurred or suffered under or in connection with the Finance Documents.
“fully paid”	shall bear the meaning as ascribed to it in the Statute.

“Holdco”	means City Lead II Developments Limited (城領II發展有限公司), a company incorporated under the Laws of Cayman Islands with its registered address at Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“Governmental Authority”	means any nation or government or any federation, province or state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organisation.
“Governmental Order”	means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.
“Immediate Family Members”	with respect to any natural Person, (a) such Person’s spouse, parents, parents-in-law, grandparents, children, grandchildren, siblings and siblings-in-law (in each case whether adoptive or biological), (b) spouses of such Person’s children, grandchildren and siblings (in each case whether adoptive or biological) and (c) estates, trusts, partnerships and other Persons which directly or indirectly through one or more intermediaries are Controlled by the foregoing.
“Law” or “Laws”	means any constitutional provision, statute or other law, rule, regulation, official policy or interpretation of any Governmental Authority and any Governmental Order.
“Member”	shall bear the meaning as ascribed to it in the Statute.
“month”	means calendar month.

- “New Securities” means any Equity Securities newly issued by the Company, except for (a) any Shares, or any option or warrant to acquire any Shares issued to any employees, officers, consultants or directors of the Company pursuant to a stock option plan, stock purchase plan, or other equity incentive plan; (b) Equity Securities of the Company issued as a dividend or distribution on all Shares on a Pro Rata Basis; and (c) Equity Securities of the Company issued in connection with any share split, share dividend, subdivision, combination, or similar transaction of the Company applicable to all Shares on a Pro Rata Basis.
- “Offered Shares” has the meaning given to it in Article 19(a).
- “ordinary resolution” means a resolution is an ordinary resolution when it has been passed by a simple majority of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as an ordinary resolution has been duly given.
- “Outgoing Member” has the meaning given to it in Article 19(a).
- “paid-up” means paid-up and/or credited as paid-up.
- “Parent Debenture” means the charge in respect of Shares held by City Lead entered on 27 March 2020 between City Lead Developments Limited 城領發展有限公司 and the Secured Party.
- “Permitted Transferee” means, in relation to any Transfer of Equity Securities by a Member:
- (i) any of its Affiliates or any of its Consolidated Affiliates, provided that if at any time following such Transfer, such transferee of the Equity Securities ceases to be an Affiliate or a Consolidated Affiliate of such Member, such transferee shall immediately Transfer such Equity Securities back to the transferring Member; and
 - (ii) any Person where such Transfer required by or made pursuant to any Security Document.

“Person”	means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.
“PRC”	means the People’s Republic of China which, for the purposes of these Articles, shall exclude Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China.
“Pro Rata Basis” or “Pro Rate Share”	with respect to a Member, shall be equal to a fraction, the numerator of which shall be the aggregate number of Shares held by such Member as at the relevant time, and the denominator of which shall be the total number of Shares held by all Members as at such relevant time.
“Proposed Transferee”	has the meaning given to it in Article 19(a).
“registered office”	means the registered office for the time being of the Company.
“ROFR Exercise Period”	has the meaning given to it in Article 19(b).
“Seal”	means the common seal of the Company and includes every duplicate seal.
“Secretary”	includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company.
“Security Document”	has the meaning given to it in the Facility Agreement.
“Secured Party”	means China CITIC Bank International Limited, in its capacity as security agent under and pursuant to the Parent Debenture and any person succeeding or replacing as security agent under the Parent Debenture and, where the context so permits, any person who such Secured Party nominates pursuant to any Encumbrance.
“Secured Share”	means any Share held by City Lead which is subject to Encumbrance.

“Shares”	means the shares in the entire issued share capital of the Company from time to time, together with all rights attaching thereto and includes a fraction of a share.
“Special Resolution”	has the same meaning as in the Statute and includes a resolution approved in writing as described therein.
“Statute”	means the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force.
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“Target”	means Clear Media Limited, an exempted company incorporated under the Laws of Bermuda with its registered address at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 100).
“Target Group”	means the Target and its subsidiaries from time to time, and “ Target Group Company ” means any one of them.
“Transfer”	means where a Member directly or indirectly sell, assign, transfer, pledge, hypothecate, or otherwise encumber or dispose of in any way any part of any interest in any Equity Securities of the Company.
“written” and “in writing”	include all modes of representing or reproducing words in visible form.

Words importing the singular number only include the plural number and vice versa. Words importing the masculine gender only include the feminine gender.

Words importing persons only include corporations.

2. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that part only of the Shares may have been allotted.
3. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

CERTIFICATES FOR SHARES

4. Certificates representing Shares of the Company shall be in such form as shall be determined by the Directors. Such certificates may be under Seal. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. The name and address of the person to whom the Shares represented thereby are issued, with the number of Shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of Shares shall have been surrendered and cancelled. The Directors may authorise certificates to be issued with the seal and authorised signature(s) affixed by some method or system of mechanical process.
5. Notwithstanding Article 6 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US\$1.00) or such less sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Directors may prescribe.

ISSUE OF SHARES

6. Subject to the provisions, if any, in that behalf in the Memorandum of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing Shares, the Directors may allot, issue, grant options over or otherwise dispose of Shares of the Company (including fractions of a Share) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares, warrants, coupons or certificates.
7. The Company shall maintain a register of its Members and every person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within two months after allotment or lodgement of Transfer (or within such other period as the conditions of issue shall provide) one certificate for all his Shares or several certificates each for one or more of his Shares upon payment of fifty cents (US\$0.50) for every certificate after the first or such less sum as the Directors shall from time to time determine provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of the several joint holders shall be sufficient delivery to all such holders.

PRE-EMPTIVE RIGHTS

8. (a) The Company may, subject to Article 70, from time to time propose to sell or issue any New Securities, and the Company hereby grants each Member a right to purchase up to its Pro Rata Share of such New Securities on the terms and conditions set out in this Article 8 (the “**Pre-emptive Rights**”).
- (b) In the event that the Company proposes to undertake an issuance of New Securities, it shall give each Member a written notice (a “**First Participation Notice**”) of such intention, describing (i) the type of New Securities, (ii) the identity of the prospective subscriber(s), and (iii) the price and the general terms upon which the Company proposes to issue the same. Each of the Members shall have the right to, within fifteen (15) Business Days after the receipt of the First Participation Notice (the “**First Participation Period**”), elect to purchase up to such Member’s respective Pro Rata Share of such New Securities for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased.
- (c) If any Member fails to exercise its Pre-emptive Rights in full in accordance with Article 8(b), the Company shall promptly, and in any event within five (5) Business Days after the expiration of the First Participation Period, give the Member(s) who has exercised its Pre-emptive Rights in full in accordance with Article 8(b) (if any) (the “**Oversubscription Participant**”) a written notice (a “**Second Participation Notice**”) specifying the aggregate number of unsubscribed New Securities that remain eligible for subscription by the Oversubscription Participant (the “**Remaining New Securities**”). The Oversubscription Participant shall have the right (the “**Oversubscription Rights**”) to, within five (5) Business Days following the date of the Second Participation Notice (the “**Second Participation Period**”), notify the Company of its desire to subscribe for all or part of the Remaining New Securities by stating the number of Remaining New Securities it proposes to subscribe for (the “**Additional New Securities**”). If there is more than one Oversubscription Participant who has exercised its Oversubscription Rights, each such Oversubscription Participant shall be entitled to subscribe for such number of Remaining New Securities in proportion to the number of Additional New Securities it proposes to subscribe for as compared to the total number of Additional New Securities all such Oversubscription Participants propose to subscribe for.
- (d) In the event that any Member(s) has exercised any part of its Pre-emptive Rights and if applicable, Oversubscription Rights in accordance with Article 8, the issuance of New Securities to such Member(s) shall be consummated within ninety (90) days following the expiration of (i) the Second Participation Period, unless no Member has exercised its Pre-emptive Rights in full within the First Participation Period or all Members have exercised their respective Pre-emptive Rights in full within the First Participation Period, in which case (ii) the First Participation Period.

- (e) If any Member(s) has not exercised its Pre-emptive Rights or Oversubscription Rights in full, the Company shall have the right to, for a period of ninety (90) days following the expiration of (i) the Second Participation Period, unless no Member has exercised its Pre-emptive Rights in full during the First Participation Period, in which case (ii) the First Participation Period, issue any New Securities with respect to which the Members' Pre-emptive Rights or Oversubscription Rights under this Article 8 were not exercised, to the subscriber(s) identified in the First Participation Notice and at a price and upon terms not more favorable to the subscriber(s) thereof than as specified in the First Participation Notice. In the event the Company has not sold such New Securities within such ninety (90) day period, the Company shall not thereafter issue or sell any New Securities, without first again offering such securities to the Members in the manner provided in this Article 8.

TRANSFER OF SHARES

9. The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register in respect thereof.
10. The Directors may in their absolute discretion decline to register any Transfer of Shares without assigning any reason therefor. If the Directors refuse to register a Transfer they shall notify the transferee within two months of such refusal.
11. The registration of Transfers may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 45 days in any year.
- 11A. Notwithstanding anything contained in these Articles, the Directors shall:
- (a) promptly register any transfer of Secured Shares which is made pursuant to the terms of any Encumbrance;
 - (b) not register a transfer of any Secured Shares (other than a transfer of Secured Shares made pursuant to (a) above) without the prior written consent of the Secured Party;
 - (c) not suspend or unreasonably delay registration of any transfer of Secured Shares made pursuant to (a) above.
12. No Member shall Transfer any part of any interest in any Equity Securities of the Company unless the provisions of Article 19 and Article 20 have been complied with, or those provisions do not apply to the Transfer in accordance with Article 13.

- 12A. Notwithstanding the provisions of Articles 12, 19 and 20 or any other provisions contained in the Articles, no transfer restriction shall be applicable to any Transfer required under or made pursuant to any Encumbrance or be applicable to any transferee of any Secured Shares under or made pursuant to any Encumbrance.
13. The provisions of Article 19 and Article 20 shall not apply to any Transfer of any Equity Securities of the Company by any Member to any of its Affiliates or any of its Consolidated Affiliates, provided that if at any time following such Transfer, such transferee of the Equity Securities ceases to be an Affiliate or a Consolidated Affiliate of such Member, such transferee shall immediately Transfer such Equity Securities back to the transferring Member.
14. To the extent that the Members have not exercised their rights in full to purchase all Offered Shares within the time periods specified in Article 19, then subject to the Co-Sale Right of the Holdco pursuant to Article 20, if applicable, the Outgoing Member shall have a period of ninety (90) days from the expiration of the ROFR Exercise Period in which to sell the remaining Offered Shares that have not been taken up under Article 19 (and, if applicable, after further deducting the number of Shares required to be so deducted pursuant to Article 20(b)), to the Proposed Transferee identified in the Transfer Notice upon terms and conditions (including the purchase price) no more favorable to the Proposed Transferee than those specified in the Transfer Notice, so long as any such sale is effected in accordance with any applicable securities Laws.
15. In the event the Outgoing Member does not consummate the sale or disposition of any Offered Shares within the ninety (90) day period specified in Article 14, the rights of the Members under Article 19 and Article 20 shall be re-invoked and shall be applicable to any subsequent disposition of such Offered Shares by the Outgoing Member until such rights lapse in accordance with the terms of these Articles.
16. The exercise or non-exercise of the rights of the Members under Article 19 and Article 20 to purchase Equity Securities of the Company from an Outgoing Member shall not adversely affect their rights to make subsequent purchases from any Outgoing Member.
17. In respect of the Holdco and any successor in title or transferee of the Shares held by the Holdco only, any direct or indirect Transfer or sale of any Equity Securities of the Company (or any interest therein) held by the Holdco and any successor in title or transferee of the Shares held by the Holdco (including any Transfer, sale or issuance of Equity Securities of the Holdco or such successor in title or transferee, and of any direct or indirect holder of Equity Securities of the Holdco or such successor in title or transferee) shall be deemed to be a Transfer or sale of Equity Securities of the Company by the Holdco or such successor in title or transferee and therefore is subject to the ROFR of the other Member of the Company.

18. Notwithstanding anything contained in these Articles, the Directors shall:
- (a) promptly register any Transfer of Secured Shares which is made pursuant to the terms of any Encumbrance;
 - (b) not register a Transfer of any Secured Shares (other than a Transfer of Secured Shares made pursuant to (a) above) without the prior written consent of the Secured Party;
 - (c) not suspend or unreasonably delay registration of any Transfer of Secured Shares made pursuant to (a) above.
- 18A. Notwithstanding anything contained in these Articles, any Secured Share shall be exempt from any present or future lien in favour of the Company that would otherwise have arisen under these Articles and the Company shall not assert any lien against any Secured Share while it remains subject to an Encumbrance.

RIGHT OF FIRST REFUSAL

19. (a) Subject to other provisions in this Article 19 and without prejudice to the Secured Party's right to enforce any Secured Share, if any Member (the "**Outgoing Member**") proposes to Transfer any of its Equity Securities to any Person other than a Permitted Transferee (a "**Proposed Transferee**") (a "**Third Party Sale**"), then the Outgoing Member shall issue a written notice (the "**Transfer Notice**") to the Company and the other Member(s) (the "**Continuing Member(s)**") prior to the consummation of such Transfer. The Transfer Notice shall describe in reasonable detail the proposed Third Party Sale, including without limitation, (i) the name and address of the Proposed Transferee, (ii) the number of Shares proposed to be Transferred to the Proposed Transferee (the "**Offered Shares**"), (iii) the proposed cash price per Share to be paid by the Proposed Transferee for such Offered Shares (the "**ROFR Offer Price**"), and (iv) any other material terms of the Third Party Sale. The Transfer Notice shall also be accompanied with copies of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Third Party Sale. The issuance of a Transfer Notice shall constitute an offer by the Outgoing Member to Transfer to the Continuing Member all or part of the Offered Shares for a cash price equal to the ROFR Offer Price and on such other terms and conditions as set out in the Transfer Notice.
- (b) The Continuing Member shall have the right ("**ROFR**") to, within ten (10) Business Days following receipt of the Transfer Notice (the "**ROFR Exercise Period**"), elect to purchase all or any portion of the Offered Shares set out in the Transfer Notice at the same price and subject to the same material terms and conditions as described in the Transfer Notice, by notifying the Outgoing Member and the Company in writing before expiration of the ROFR Exercise Period as to the number of such Offered Shares that it wishes to purchase

(“**Accepted Offered Shares**”). If there is more than one Continuing Member who has exercised its ROFR and the total number of the Accepted Offered Shares of all such Continuing Members is larger than the number of Offered Shares, each such Continuing Member shall be entitled to purchase such number of Offered Shares in proportion to the number of Shares held by it as compared to the total number of Shares held by all such Continuing Members.

- (c) If the Continuing Member(s) gives the Outgoing Member notice that it desires to purchase the Offered Shares, then payment for the Offered Shares to be purchased shall be made by wire transfer in immediately available funds of the appropriate currency, against delivery of such Offered Shares to be purchased, at a place agreed to by the Outgoing Member and the Continuing Member and at the time of the scheduled closing therefor, no later than ninety (90) days after the Company’s receipt of the Transfer Notice. The Outgoing Member shall not terminate or withdraw any Transfer Notice after the Continuing Member has notified the Outgoing Member of its wish to purchase the Offered Shares in accordance with Article 19(b).
- (d) The Holdco shall not recognize, register or effect any transfer, sale or issuance of any Equity Securities of the Holdco (the “**Holdco Shares**”) unless, before a holder of such Holdco Shares (the “**Holdco Selling Shareholder**”) transfers its Holdco Shares (or before the Holdco issues any new Holdco Shares) to any third party, the Holdco Selling Shareholder (or the Holdco) has offered such Holdco Shares, by way of a transfer notice, to City Lead on the same terms which the Holdco Selling Shareholder (or the Holdco) offers to or is offered by that third party. If City Lead does not wish to purchase the Holdco Shares within 10 Business Days following receipt of the transfer notice, the Holdco Selling Shareholder may transfer the Holdco Shares (or the Holdco may issue such new Holdco Shares) on no more favourable terms to such third party within 30 Business Days following the date of the transfer notice, and only in such circumstances the Holdco may recognize, register or effect such transfer, sale or issuance of any Holdco Shares to such third party.

CO-SALE RIGHTS

- 20. (a) With respect to a Transfer of Equity Securities of the Company held by City Lead, to the extent the Holdco does not exercise its rights of first refusal as to any of the Offered Shares proposed to be sold by City Lead to the Proposed Transferee identified in the Transfer Notice of City Lead, the Holdco shall have the right to participate in such Third Party Sale in respect of the Offered Shares at the same price and subject to the terms of this Article 20 and the same material terms and conditions as described in the Transfer Notice (the “**Co-Sale Right**”).

- (b) To exercise its Co-Sale Right, the Holdco may notify City Lead in writing within ten (10) Business Days following the date of the Transfer Notice. The Holdco's notice to City Lead shall indicate the number of Shares it wishes to sell under its Co-Sale Right in accordance with Article 20(c). To the extent (i) the Holdco exercises such Co-Sale Right in accordance with this Article 20 and (ii) City Lead is unable to procure the Proposed Transferee to increase the total number of Shares it wishes to acquire to take up the Shares that the Holdco wishes to sell within ten (10) Business Days following the Holdco's notice to City Lead referred to above, the number of Offered Shares that City Lead may sell in the Third Party Sale to the Proposed Transferee shall be correspondingly reduced so as to ensure the number of Shares elected to be sold by the Holdco in accordance with this Article 20 can be fully taken up by the Proposed Transferee.
- (c) The total number of Shares that the Holdco may elect to sell shall be up to the product of (i) the total number of the Shares proposed to be acquired by the Proposed Transferee (which, for the avoidance of doubt, can be more than the number of Shares held by City Lead), and (ii) a fraction, the numerator of which is the number of Shares held by the Holdco on the date of the Transfer Notice and the denominator of which is the total number of Shares held by the Holdco and City Lead on the date of the Transfer Notice.
- (d) The Holdco shall effect its exercise of the Co-Sale Right by promptly delivering to City Lead, before the applicable closing between City Lead and the Proposed Transferee, a signed instrument of transfer in respect of the Transfer of the number of Shares which the Holdco elects to sell to the Proposed Transferee, all share certificates which represent the number of Shares which the Holdco elects to sell in accordance with this Article 20, and any other documents reasonably required to consummate the Third Party Sale.
- (e) The share certificate(s) that the Holdco delivers to City Lead pursuant to Article 20(d) shall be delivered by City Lead to the Company for surrender and cancellation and City Lead shall deliver to the Proposed Transferee any required transfer instruments, board resolutions of the Company or other documentation in consummation of the sale of the Shares pursuant to the terms and conditions specified in the Transfer Notice, and City Lead shall procure the Proposed Transferee to remit to the Holdco the sale proceeds to which the Holdco is entitled by reason of its exercise of the Co-Sale Right. The Company shall update its register of members to effect the consummation of any such Transfer and, if applicable, arrange to prepare new share certificates or certificates for the transferee with respect to such Shares.

REDEEMABLE SHARES

21. (a) Subject to the provisions of the Statute and the Memorandum of Association, Shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the Shares, may by Special Resolution determine and the rights attaching to any issued Shares may, subject to the provisions of these Articles, by Special Resolution, be varied so as to provide that such Shares are to be or are liable to be so redeemed.
- (b) Subject to the provisions of the Statute and the Memorandum of Association, the Company may purchase its own Shares (including fractions of a share), including any redeemable Shares, provided that the manner of purchase has first been authorised by the Company in general meeting and may make payment therefor in any manner authorised by the Statute, including out of capital and provided that the Company may not redeem or purchase any of its Shares if, as a result of the redemption or purchase, there would no longer be any issued Shares of the Company other than Shares held as treasury shares.
22. Subject to the provisions of these Articles, the manner and any of the terms of any such redemption or purchase of Shares may be determined by either the Company by ordinary resolution or by the Directors. The Company may make a payment in respect of the redemption or purchase of its own Shares otherwise than out of its profits, share premium account, or the proceeds of a fresh issue of Shares.

TREASURY SHARES

23. The Company may, subject to the provisions of the Law, acquire, hold and dispose of its own Shares as treasury Shares.

VARIATION OF RIGHTS OF SHARES

24. If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class.

The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of Shares except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued Shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll.

25. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

COMMISSION ON SALE OF SHARES

26. The Company may in so far as the Statute from time to time permits pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also on any issue of Shares pay such brokerage as may be lawful.

NON-RECOGNITION OF TRUSTS

27. No person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.
- 27A. Notwithstanding anything contained in these Articles, any Secured Share shall be exempt from:
- (a) the provisions of these Articles relating to forfeiture; and
 - (b) any present or future call upon the Members by the Company that would otherwise have arisen under these Articles and the Company shall not make any call in respect of any Secured Share while it remains subject to an Encumbrance.

LIEN ON SHARES

28. The Company shall have a first and paramount lien and charge on all Shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The registration of a Transfer of any such Share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a Share shall extend to all dividends or other monies payable in respect thereof.

29. Notwithstanding anything contained in these Articles, any Secured Share shall be exempt from any present or future lien in favour of the Company that would otherwise have arisen under these Articles and the Company shall not assert any lien against any Secured Share while it remains subject to an Encumbrance.
30. The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder or holders for the time being of the Share, or the person, of which the Company has notice, entitled thereto by reason of his death or bankruptcy.
31. To give effect to any such sale the Directors may authorise some person to Transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such Transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
32. The proceeds of such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALL ON SHARES

33. (a) The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed terms, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the Shares. A call may be revoked or postponed as the Directors may determine. A call may be made payable by instalments.
- (b) A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
- (c) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

34. If a sum called in respect of a Share is not paid before or on a day appointed for payment thereof, the persons from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest either wholly or in part.
35. Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
36. The Directors may, on the issue of Shares, differentiate between the holders as to the amount of calls or interest to be paid and the times of payment.
37. (a) The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him, and upon all or any of the monies so advanced may (until the same would but for such advances, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) seven per cent per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.
- (b) No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

38. (a) If a Member fails to pay any call or instalment of a call or to make any payment required by the terms of issue on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call, instalment or payment remains unpaid, give notice requiring payment of so much of the call, instalment or payment as is unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment. Such notice shall name a day (not earlier than the expiration of fourteen days from the date of giving of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed the Shares in respect of which such notice was given will be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Share and not actually paid before the forfeiture.

- (b) A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
39. Notwithstanding anything contained in these Articles, any Secured Share shall be exempt from:
- (a) the provisions of these Articles relating to forfeiture; and
 - (b) any present or future call upon the Members by the Company that would otherwise have arisen under these Articles and the Company shall not make any call in respect of any Secured Share while it remains subject to an Encumbrance.
40. A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture were payable by him to the Company in respect of the Shares together with interest thereon, but his liability shall cease if and when the Company shall have received payment in full of all monies whenever payable in respect of the Shares.
41. A certificate in writing under the hand of one Director or the Secretary of the Company that a Share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the Share. The Company may receive the consideration given for the Share on any sale or disposition thereof and may execute a Transfer of the Share in favour of the person to whom the Share is sold or disposed of and he shall thereupon be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

REGISTRATION OF EMPOWERING INSTRUMENTS

43. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

TRANSMISSION OF SHARES

44. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the Shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any Shares which had been held by him solely or jointly with other persons.
45. (a) Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by Transfer) may, upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the Share or to make such Transfer of the Share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a Transfer of the Share by that Member before his death or bankruptcy as the case may be.
- (b) If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
46. A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by Transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company PROVIDED HOWEVER that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to Transfer the Share and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

**AMENDMENT OF MEMORANDUM OF ASSOCIATION, CHANGE OF LOCATION
OF REGISTERED OFFICE & ALTERATION OF CAPITAL**

47. (a) Subject to and in so far as permitted by the provisions of the Statute, the Company may from time to time by ordinary resolution alter or amend its Memorandum of Association otherwise than with respect to its name and objects and may, without restricting the generality of the foregoing:
- (i) increase the share capital by such sum to be divided into Shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.
 - (ii) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
 - (iii) by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum of Association or into Shares without nominal or par value;
 - (iv) cancel any Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
- (b) All new Shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, Transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.
- (c) Subject to the provisions of the Statute, the Company may by Special Resolution change its name or alter its objects.
- (d) Without prejudice to Article 24 hereof and subject to Article 70 and the provisions of the Statute, the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund.
- (e) Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its registered office.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

48. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors of the Company may provide that the register of Members shall be closed for Transfers for a stated period but not to exceed in any case 40 days. If the register of Members shall be so closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members such

register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the register of Members.

49. In lieu of or apart from closing the register of Members, the Directors may fix in advance a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.
50. If the register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

GENERAL MEETINGS

51.
 - (a) Subject to paragraph (b) hereof, the Company shall hold no less than one (1) general meeting during each fiscal year. The Board may convene meetings of the Members at such times and in such manner and places within or outside the Cayman Islands as the Board considers necessary or desirable.
 - (b) If the Company is exempted as defined in the Statute it may but shall not be obliged to hold an annual general meeting.
52.
 - (a) The Directors may whenever they think fit, and they shall on the requisition of Members of the Company holding at the date of the deposit of the requisition not less than 10% of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, proceed to convene a general meeting of the Company.
 - (b) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.
 - (c) If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty-one (21) days.

- (d) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

53. Written notice of all general meetings shall be given not less than fifteen (15) Business Days in advance (which notice period may be shortened by the written waiver of, or actual attendance at such general meeting without objection by, all the Members) to:
- (a) those Members whose names on the date the notice is given appear as Members in the register of members and are entitled to vote at the meeting; and
- (b) the Directors.
54. The Board may fix as the record date for determining those Members that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.
55. A meeting of Members held in contravention of the requirement to give notice is valid if all Members have waived notice of the meeting and, for this purpose, the presence of a Member at the meeting shall constitute waiver in relation to all the Shares which that Member holds.
56. The inadvertent failure of the Board to give notice of a meeting to a Member or a Director, or the fact that a Member or a Director has not received notice, does not invalidate the meeting.

PROXY

57. A Member may be represented at a meeting of Members by a proxy who may speak and vote on behalf of the Member.
58. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
59. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Member appointing the proxy.

EVER HARMONIC GLOBAL LIMITED
(the "Company")

I/We,, being a Member of the Company HEREBY APPOINT of or failing him of to be my/our proxy to vote for me/us at the meeting of Members to be held on the day of, 20 and at any adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this day of, 20

.
Member

VOTES OF MEMBERS

60. The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Members and may speak as a Member;
 - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
 - (c) if two or more of the joint owners are present in person or by proxy they must vote as one.

PROCEEDINGS AT GENERAL MEETINGS

61. A quorum for a general meeting shall require a representative (in person or by proxy) of at least two Members, provided always that if the Company has one Member of record the quorum shall be that one Member present in person or by proxy.
62. If a quorum is not present within one (1) hour of the scheduled start of the general meeting, such meeting shall adjourn and reconvene five (5) Business Days later, at the same place and at the same time, and the Members present in such reconvened general meeting shall constitute a quorum.
63. At every general meeting, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Members present shall choose one of them to be the chairman. If the Members are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by

proxy at the meeting shall preside as chairman failing which the oldest individual Member or representative of a Member present shall take the chair.

64. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
65. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.
66. The result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.
67. Subject to Article 70 or unless otherwise required by applicable Laws, any action, determination or resolution of the Members shall require the affirmative vote of holders of a majority of the Shares present at a meeting at which a valid quorum is present.
68. In the case of an equality of votes, the Chairman of the general meeting shall not be entitled to a second or casting vote.
69. A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives), without the need for any notice, shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last Member has consented to the resolution by signed counterparts.
70. In addition to the requirements of passing a resolution of Members or a resolution of Directors and any other provisions provided by Statute and/or these Articles, the Company shall not, and each Member shall cause the Company not to, take any of the actions, or permit to occur, approve, authorise, agree, or undertake to do any of such actions set out in this Article 70 without obtaining the prior written consent of each of City Lead and the Holdco (including their respective transferees whose Transfers have been made in accordance with these Articles):
 - (a) the dissolution, liquidation or winding up of the Company;
 - (b) the repurchase or redemption of the Shares by the Company;
 - (c) the issuance of any preferred shares or preferred securities by the Offeror;
 - (d) establishment of a voting mechanism which would entitle certain Shares to have different voting rights; and

- (e) any material change to the nature of business of the Company and the Target Group as a whole,

provided further that nothing in this Article 70 shall restrict or be construed to restrict the taking of any action by the Secured Party or any receiver appointed by the Secured Party pursuant to any Security Document.

DIRECTORS

71. The Directors shall be elected by ordinary resolution of Members.
72. The Company shall have a Board consisting of up to five (5) Directors.
73. No person shall be appointed as a Director or alternate Director of the Company unless he has consented in writing to be a Director or alternate Director respectively.
74. Each Director holds office for the term, if any, fixed by the resolution of Members appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a Director, the Director serves indefinitely until his earlier death, resignation or removal.
75. A Director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A Director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Statute.
76. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office. The continuing directors may act notwithstanding any vacancy in their body.
77. The Directors may, by resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.
78. A Director is not required to hold a Share as a qualification to office.

ALTERNATE DIRECTORS

79. A Director may, by notice in writing to the Company, from time to time appoint another Director or another person who is not disqualified for appointment as a Director under the Statute to be his alternate to:
- (a) exercise the appointing Director's powers; and
- (b) carry out the appointing Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the appointing Director.

80. No person shall be appointed as an alternate Director unless he has consented in writing to be an alternate Director. The appointment of an alternate Director does not take effect until written notice of the appointment has been deposited at the registered office of the Company.
81. The appointing Director may, at any time, terminate or vary the alternate's appointment. The termination or variation of the appointment of an alternate Director does not take effect until written notice of the termination or variation has been deposited at the registered office of the Company, save that if a Director shall die or cease to hold the office of Director, the appointment of his alternate shall thereupon cease and terminate immediately without the need of notice.
82. An alternate Director has no power to appoint an alternate, whether of the appointing Director or of the alternate Director.
83. An alternate Director has the same rights as the appointing Director in relation to any Directors' meeting and any written resolution of Directors circulated for written consent. Unless stated otherwise in the notice of the appointment of the alternate, or a notice of variation of the appointment, if undue delay or difficulty would be occasioned by giving notice to a Director of a resolution of which his approval is sought in accordance with these Articles his alternate (if any) shall be entitled to signify approval of the same on behalf of that Director. Any exercise by the alternate Director of the appointing Director's powers in relation to the taking of decisions by the Directors is as effective as if the powers were exercised by the appointing Director. An alternate Director does not act as an agent of or for the appointing Director and is liable for his own acts and omissions as an alternate Director.
84. The remuneration of an alternate Director (if any) shall be payable out of the remuneration payable to the Director appointing him (if any), as agreed between such alternate and the Director appointing him.

POWERS AND DUTIES OF DIRECTORS

85. The business of the Company shall be managed by the Directors (or a sole Director if only one is appointed) who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company that are not inconsistent with the Statute, these Articles, or such regulations as may be prescribed by the Company in general meeting required to be exercised by the Company in general meeting PROVIDED HOWEVER that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

86. The Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
87. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.
88. The Directors shall cause minutes to be made in books provided for the purpose:
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors (including those represented thereat by an alternate or by proxy) present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.
89. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
90. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

MANAGEMENT

91. (a) The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the two next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
- (b) The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- (c) Any such delegates as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities, and discretions for the time being vested in them.

PROCEEDINGS OF DIRECTORS

92. Upon the request of any Director, the Chairman of the Board shall convene a meeting of the Board by giving each Director written notice of the proposed meeting and time and place thereof. Questions arising at any meeting shall be decided by a majority of votes of the Directors and alternate Directors present at a meeting at which there is a quorum, the vote of an alternate Director not being counted if his appointor be present at such meeting. In case of an equality of votes, the Chairman shall not have a second or casting vote.
93. The Directors or any committee thereof may meet at such times and in such manner and places within or outside the Cayman Islands as the Directors may determine to be necessary or desirable.
94. A Director is deemed to be present at a Board meeting if he participates by means of telephone or video conference or other communication device that permits all the Directors participating in the meetings to hear and be heard by each other or any other means unanimously approved by the Directors and permitted under applicable Laws.
95. Written notice of all Board meetings shall be given not less ten (10) Business Days in advance (which notice period may be shortened by the written waiver of, or actual attendance at such Board meeting without objection by, all the Directors).

96. A quorum for a Board meeting shall consist of four (4) Directors for the time being. If a quorum is not present within one (1) hour of the scheduled start of the meeting of the Board, such meeting shall adjourn and reconvene five (5) Business Days later at the same place and at the same time, and the Directors present in such reconvened meeting of the Board shall constitute a quorum.
97. The Company shall promptly reimburse each member of the Board that participates in or attends Board and/or committee meetings for all reasonable, documented expenses incurred in connection with such participation or attendance.
98. If the Company has only one Director, the provisions herein contained for meetings of Directors do not apply and such sole Director has full power to represent and act for the Company in all matters as are not by the Statute, the Memorandum or the Articles required to be exercised by the Members. In lieu of minutes of a meeting, the sole Director shall record in writing and sign a note or memorandum of all matters requiring a resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.
99. The Directors may elect a Chairman of their Board and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of them to be Chairman of the meeting. In the case of an equality of votes, the Chairman shall not have a second or casting vote.
100. An action that may be taken by the Directors or a committee of Directors at a meeting may also be taken by a resolution of Directors or a resolution of a committee of Directors consented to in writing or by telex, telegram, cable or other written electronic communication by all of the Directors or by all of the members of the committee, as the case may be, without the need for any notice. A written resolution consented to in such manner may consist of several documents, including written electronic communication, in like form each signed or assented to by one or more Directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last Director has consented to the resolution by signed counterparts.

VACATION OF OFFICE OF DIRECTOR

101. The office of a Director shall be vacated:
- (a) if he gives notice in writing to the Company that he resigns the office of Director;

- (b) if he absents himself (without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the Board without special leave of absence from the Directors, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (c) if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (d) if he is found a lunatic or becomes of unsound mind.

PRESUMPTION OF ASSENT

102. A Director of the Company who is present at a meeting of the Board at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

SEAL

103. (a) The Company may, if the Directors so determine, have a Seal which shall, subject to paragraph (c) hereof, only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or Secretary-Treasurer or some person appointed by the Directors for the purpose.
- (b) The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
- (c) A Director, Secretary or other officer or representative or attorney may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.
- (d) A document to be executed as a Deed shall be executed by a Director or other person authorised by the Directors for that purpose.

OFFICERS

104. The Company may have a President, a Secretary or Secretary-Treasurer appointed by the Directors who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

105. Subject to the Statute and Article 106, the Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorise payment of the same out of the funds of the Company lawfully available therefore.
106. Unless and until the Finance Documents Liabilities have been fully and finally repaid and discharged, the Company shall not declare or pay any dividends or distributions, and shall apply any and all distributions received from the Target and any of its other subsidiaries towards satisfaction of the repayment of the Finance Documents Liabilities.
107. For so long as any Finance Document remains in effect, the Company shall comply with its obligations under such Finance Document, including applying its distributable profits towards satisfaction of the Finance Documents Liabilities in accordance with Article 106. For the avoidance of doubt, this Article shall not require any Member to inject further capital into the Company.
108. The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.
109. No dividend or distribution shall be payable except out of the profits of the Company, realised or unrealised, or out of the share premium account or as otherwise permitted by the Statute.
110. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of Shares they shall be declared and paid according to the amounts paid or credited as paid on the Shares of such class outstanding on the record date for such dividend or distribution as determined in accordance with these Articles but no amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Share.
111. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

112. The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up Shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
113. Any dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the Share held by them as joint holders.
114. No dividend or distribution shall bear interest against the Company.

CAPITALISATION

115. The Company may upon the recommendation of the Directors by ordinary resolution authorise the Directors to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

116. The Directors shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

117. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.
118. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by Law.

AUDIT AND FINANCIAL INFORMATION

119. The Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.
120. The Directors may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the Members in general meeting in which case the Members at that meeting may appoint Auditors. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Directors.
121. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

122. Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Directors or any general meeting of the Members, make a report on the accounts of the Company in general meeting during their tenure of office.
123. The Company shall deliver to each Member (a) unaudited consolidated financial statements of the Company for the first six months of each financial year within three (3) months after the end of such period, and (b) audited annual consolidated financial statements of the Company for each financial year within four (4) months after the end of such financial year.

INFORMATION ON CERTAIN TRANSACTIONS

124. The Company shall deliver to each Member (a) a summary of the principal terms of any material transaction of the Company or any Target Group Company outside of the ordinary and usual course of its business with any shareholder (or its Affiliates) of City Lead, within one (1) month after the date of such transaction being entered into, and (b) a summary of the principal terms and a fairness opinion from an independent financial adviser in respect of any transaction involving acquisition or disposal of assets or businesses between (i) the Company or any Target Group Company and (ii) any shareholder (or its Affiliates) of City Lead, where the value of the total assets which is the subject of such transaction divided by the value of the total assets of the Company as shown in its latest audited or unaudited consolidated financial statements exceeds 5%, within one (1) month after the date of such transaction being entered into.

NOTICES

125. Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by post, cable, telex or telecopy, electronic message to him or to his address (including e-mail address) as shown in the register of Members or any notice given by such Member to the Company, such notice, if mailed, to be forwarded airmail if the address be outside the Cayman Islands.
126. (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected at the expiration of 60 hours after the letter containing the same is posted as aforesaid.
- (b) Where a notice is sent by cable, telex, telecopy or electronic message, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organisation and to have been effected on the day the same is sent as aforesaid.

127. A notice may be given by the Company to the joint holders of record of a Share by giving the notice to the joint holder first named on the register of Members in respect of the Share.
128. A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member by sending it through the post as aforesaid in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
129. Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (a) every person shown as a Member in the register of Members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members.
 - (b) every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting; and

No other person (other than the Directors) shall be entitled to receive notices of general meetings.

WINDING UP

130. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.
131. If the Company shall be wound up, and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been

paid up, at the commencement of the winding up on the Shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the Shares held by them respectively. This Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

INDEMNITY

132. The Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default respectively and no such Director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the wilful neglect or default of such Director, Officer or trustee.

FINANCIAL YEAR

133. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

AMENDMENTS OF ARTICLES

134. Subject to the Statute, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part, provided that any amendment to these Articles which has the effect of undermining the rights of the Holdco as set forth in Article 8, Article 19, Article 20, Article 70, Article 123 or Article 124 shall require the affirmative vote or written consent of holders of 95% or more of the Shares in issue at the relevant time.

TRANSFER BY WAY OF CONTINUATION

135. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the Laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

For and on behalf of
Vistra (Cayman) Limited
Corporation
Of P.O. Box.31119
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205
Cayman Islands

(Sd.) Authorised Signatory
Teria McLaughlin

Dated [●]th day of [●] 2021

WITNESS to the above signature:--

(Sd). Valdreen Lindo
of P.O. Box 31119
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205
Cayman Islands

APPENDIX VIII FORWARD ELITE HOLDCO DEED OF UNDERTAKING

(Effective subject to the Offer becoming or being declared unconditional in all respects and there being any Offer Shareholder accepting the Offer and validly electing the Share Alternative)

Dated _____

FORWARD ELITE HOLDINGS LIMITED (傑發控股有限公司)

and

CITY LEAD II DEVELOPMENTS LIMITED (城領II發展有限公司)

DEED OF UNDERTAKING

DEED OF UNDERTAKING

This Deed of Undertaking (this “**Deed**”) is entered into as of [●] by and among:

- (1) FORWARD ELITE HOLDINGS LIMITED (傑發控股有限公司) (registered number 2003358), a business company incorporated under the laws of the British Virgin Islands with its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“**Forward Elite**”); and
- (2) CITY LEAD II DEVELOPMENTS LIMITED (城領II發展有限公司) (registered number 376512), a company incorporated under the laws of Cayman Islands with limited liability with its registered address at Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands (the “**Holdco**”),

(each a “**Party**” and collectively the “**Parties**”).

RECITALS

- (A) Ever Harmonic Global Limited (永和環球有限公司) is an exempted company with limited liability incorporated under the laws of the Cayman Islands with its registered address at Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands (“**Ever Harmonic**”). As at the date hereof, Ever Harmonic is held as to 100% by City Lead Developments Limited (城領發展有限公司), a business company incorporated under the laws of the British Virgin Islands with its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“**City Lead**”), and 0% by the Holdco. Forward Elite is a shareholder of City Lead as to 40%.
- (B) Pursuant to the Articles (as defined below), Ever Harmonic is obliged to apply any and all distributions received from Clear Media Limited, an exempted company incorporated under the laws of Bermuda with its registered address at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (“**Clear Media**”), or any of its other subsidiaries towards satisfaction of the Finance Documents Liabilities (as defined below) unless and until the Finance Documents Liabilities have been fully and finally repaid and discharged (any such payment by Ever Harmonic, a “**Bidco Repayment**”).
- (C) As the Holdco would have been indirectly entitled to a pro rata share of such distributions but for such Bidco Repayments (which are for the sole benefit of Forward Elite), Forward Elite agrees to compensate the Holdco for its loss of indirect pro rata share of any such distributions on the terms and conditions set out in this Deed.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. **Definitions.**

1.1 In this Deed, capitalized terms shall have the following meanings ascribed to them:

“**Affiliate**” means, with respect to a Person, (a) in the case where such given Person is not a natural person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, and (b) in the case where such given Person is a natural person, (i) an Immediate Family Member of such given Person, or (ii) any other Person that is Controlled by such given Person and his Immediate Family Member(s), whether individually or collectively; provided that none of Ever Harmonic, City Lead or any Target Group Company shall be considered an “**Affiliate**” of Forward Elite;

“**Articles**” means the articles of association of Ever Harmonic, as may be amended and/or restated from time to time;

“**Bidco Repayment Inter-Shareholder Loans**” means the inter-shareholder loans between Forward Elite and the other shareholders of City Lead from time to time arising from Bidco Repayments;

“**Business Day**” means a day on which Stock Exchange is open for the transaction of business, but other than any such day on which commercial banks in the PRC are required or authorised by Law to be closed;

“**Consolidated Affiliate**” means, in respect of a Person, a body corporate which is or is required to be consolidated with such Person pursuant to accounting principles applicable to such Person;

“**Control**” of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the

board of directors of such Person; the term “**Controlled**”, “**Controller**” or “**Controlling**” has the meaning correlative to the foregoing;

“**Equity Securities**” means, with respect to a Person, any shares, share capital, registered capital, ownership interest, equity interest, or other securities, and any option, warrant, or right to subscribe for, acquire or purchase any of the foregoing, or any other security or instrument convertible into or exercisable or exchangeable for any of the foregoing, or any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person;

“**Facility Agent**” means China CITIC Bank International Limited in its capacity as facility agent under the Facility Agreement, including its successors in title, assigns and transferees;

“**Facility Agreement**” means the facility agreement dated 27 March 2020 and entered into between, amongst others, the Facility Agent as the facility agent and the Bidco as the borrower in respect of the Bank Facility (as amended from time to time, including pursuant to the first deed of amendment dated 22 April 2020 and the second deed of amendment dated 2 July 2021);

“**Finance Documents**” has the meaning given to such term in the Facility Agreement;

“**Finance Documents Liabilities**” means repayment of the full amount of the borrowings and payment of interest payable under the Finance Documents and any other costs, fees, expenses, damages, losses, liabilities or other obligations of Ever Harmonic, City Lead, Clear Media or any of its subsidiaries incurred or suffered under or in connection with the Finance Documents;

“**Governmental Authority**” means any nation or government or any federation, province or state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization;

“**Governmental Order**” means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority;

“**HIBOR**” means the Hong Kong Interbank Offered Rate for deposits in HKD for a 12-month period;

“**HKD**” or “**HK\$**” means Hong Kong dollars, the lawful currency of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Immediate Family Members**” with respect to any natural Person, (a) such Person’s spouse, parents, parents-in-law, grandparents, children, grandchildren, siblings and siblings-in-law (in each case whether adoptive or biological), (b) spouses of such Person’s children, grandchildren and siblings (in each case whether adoptive or biological) and (c) estates, trusts, partnerships and other Persons which directly or indirectly through one or more intermediaries are Controlled by the foregoing;

“**Law**” or “**Laws**” means any constitutional provision, statute or other law, rule, regulation, official policy or interpretation of any Governmental Authority and any Governmental Order;

“**Person**” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity;

“**PRC**” means the People’s Republic of China which, for the purposes of this Deed, shall exclude Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China;

“**Pro Rata Share**” shall be equal to a fraction, the numerator of which shall be the aggregate number of Shares held by the Holdco as at the relevant time, and the denominator of which shall be the total number of Shares held by all Shareholders as at such relevant time;

“**Shareholders**” means the holders of the Shares, and a “**Shareholder**” means any one of them;

“**Shares**” means the shares in the entire issued share capital of Ever Harmonic from time to time, together with all rights attaching thereto;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Target Group**” means Clear Media and its subsidiaries from time to time, and “**Target Group Company**” means any one of them; and

“**Transfer**” means directly or indirectly sell, assign, transfer, pledge, hypothecate, or otherwise encumber or dispose of in any way.

- 1.2 In this Deed, unless the context otherwise requires:
- (a) each gender includes the other gender;
 - (b) the singular includes the plural and vice versa;
 - (c) references to this Deed includes its Schedules;
 - (d) references to Sections and Schedules are to sections of and schedules to this Deed and references in a Schedule or part of a Schedule are to a paragraph of that Schedule or that part of that Schedule;
 - (e) the words “include”, “includes” and “including” or similar words are deemed to be followed by the words “without limitation”;
 - (f) the descriptive headings to provisions and paragraphs in this Deed are included for convenience only, have no legal effect and shall be ignored in the interpretation of this Deed;
 - (g) references to legislation are to that legislation as from time to time modified, re-enacted or consolidated whether before or after the date of this Deed;
 - (h) references to this Deed, any specified provision in this Deed, any other document or any specified provision in any other document are to this Deed, that document or the specified provision as in force for the time being and as amended, varied, novated or supplemented from time to time in accordance with the terms of the relevant document. Without prejudice to the foregoing, with respect to any Finance Document, “amended” and “amendment” shall have the meaning given to them in the Facility Agreement;
 - (i) references to “writing” or “written” include faxes and any other method of reproducing words in a legible and non-transitory form; and
 - (j) references to time shall mean Hong Kong time, unless otherwise stated.

2. Undertakings from Forward Elite.

2.1 Payables.

- (a) Forward Elite undertakes to the Holdco that, simultaneously with each Bidco Repayment made from time to time, a payable from Forward Elite to the Holdco in an amount equal to the Holdco's Pro Rata Share of such Bidco Repayment shall be deemed to have arisen (each a "**Payable**"), which shall be repaid in accordance with Section 2.3.
- (b) Forward Elite shall, on the date of each Bidco Repayment, deliver to the Holdco a notice in the form set out in Schedule 1.
- (c) If any cash available to Ever Harmonic (other than distributions received from Clear Media or any of its other subsidiaries or funds contributed by Forward Elite and/or any of its Affiliates directly (or indirectly through payment to Ever Harmonic and/or City Lead) to the Facility Agent in satisfaction of any Finance Documents Liabilities) is applied by Ever Harmonic towards satisfaction of the Finance Documents Liabilities, any such payment shall also constitute a Bidco Repayment under this Deed.

2.2 Interest.

Interest shall accrue on each Payable daily from the date on which each such Payable arises pursuant to Section 2.1(a) up to (and including) the date of repayment of such Payable (together with all accrued and unpaid interest), at the rate per annum equivalent to six percent (6%) per annum above HIBOR, calculated based on the actual number of days elapsed and a 360-day year consisting of 12 months of 30 days each.

2.3 Repayment.

Forward Elite shall repay the entire outstanding principal balance of all Payables, together with all accrued and unpaid interest within 18 months following the date on which all Finance Documents Liabilities are fully and finally settled.

2.4 Voluntary Prepayment.

- (a) Forward Elite may prepay any Payable in full or in part at any time by providing the Holdco with a written notice at least two (2) Business Days in advance of such prepayment, without any prepayment penalty or premium.
- (b) Any amount prepaid in accordance with Section 2.4(a) shall first be applied in reducing the amount of outstanding interest (if any) accrued on such Payable in full before the balance thereof is applied to repay the principal amount of the Payable.

2.5 Pari Passu Ranking. The Payables shall rank pari passu in priority of payment with the Bidco Repayment Inter-Shareholder Loans. Forward Elite undertakes to pay a pro rata portion of the outstanding Payables to the Holdco simultaneously with the repayment of any amount in satisfaction of Forward Elite's obligations under the Bidco Repayment Inter-Shareholder Loans. For the purpose of this Section 2.5, "pro rata portion" means a fraction, the numerator of which is the total amount of the Bidco Repayment Inter-Shareholder Loans being repaid, and the denominator of which is the total amount of the Bidco Repayment Inter-Shareholder Loans outstanding at the time of such repayment.

3. Deed of Accession.

In the event that Forward Elite or any of its Affiliates or Consolidated Affiliates Transfers any of its Equity Securities of City Lead to any of its Affiliates or Consolidated Affiliates, Forward Elite or any of its Affiliates or Consolidated Affiliates shall, simultaneously with the completion of such Transfer, deliver to the Holdco a deed of accession duly executed by such transferee in the form set out in Schedule 2, where such transferee shall agree to be bound by the terms and conditions of this Deed in the capacity of the debtor and shall be jointly and severally liable with Forward Elite for the performance of the obligations of the debtor under this Deed.

4. Notices.

4.1 **Notice Details.** Any notice required or permitted pursuant to this Deed shall be given in writing and shall be given either personally or by sending it by courier service (using an internationally recognized courier company), first class pre-paid recorded delivery post (air mail if overseas), electronic mail or fax to the addresses or numbers set out as follows (or at such other address or number as such Party may designate by prior written notice to the other Parties given in accordance with this Section 4):

If to Forward Elite:

FORWARD ELITE HOLDINGS LIMITED (傑發控股有限公司)

Address: White Horse Company, 3/F, Starry Winking, 4 Hua Ming Road, Tianhe District, Guangzhou 510623, PRC (廣州市天河區華明路四號星匯雲錦三層白馬公司)
Fax: +86 20 3230 0890
Email: zhang_huaijun@hotmail.com
Attention: Mr. Harrison Zhang

If to the Holdco:

CITY LEAD II DEVELOPMENTS LIMITED (城領II發展有限公司)

Address: [Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands]
Fax: [●]
Email: [●]
Attention: [●]

4.2 **Deemed Delivery.** In the absence of evidence of earlier receipt, any notice served in accordance with Section 4.1 shall be deemed to be given (a) if delivered personally or by courier, at the time of delivery, (b) if sent by pre-paid first class recorded delivery post (other than air mail), two (2) Business Days after posting it, (c) if sent by air mail, five (5) Business Days after posting it, (d) if sent by electronic mail, at the time it leaves the email gateway of the sender (subject to confirmation that the sender did not receive a message that the email was undeliverable, which may be satisfied by producing a certificate signed by an authorised and qualified representative of the sender), (e), if sent by fax, at the time of its dispatch (subject to confirmation of uninterrupted transmission by the sender by a transmission report).

5. **Miscellaneous.**

- 5.1 **Observance of Finance Documents.** For so long as any Finance Document remains in effect, Forward Elite shall use reasonable efforts to procure each of City Lead and Ever Harmonic to comply with all of their respective obligations under such Finance Document, including by way of taking such actions as are necessary to allow Ever Harmonic to apply its distributable profits towards satisfaction of the Finance Documents Liabilities, which the Holdco agrees and consents to. For the avoidance of doubt, the provision of this Section 5.1 shall not require the Holdco to inject any capital into Ever Harmonic.
- 5.2 **Indemnity.** Forward Elite shall indemnify the Holdco from and against all liabilities, costs, expenses, damages and losses and all other reasonable professional costs and expenses suffered or incurred by the Holdco as a result of any breach by any Obligor (as defined in the Facility Agreement) of any of its obligations under the Finance Documents.
- 5.3 **Further Assurances.** Upon the terms and subject to the conditions herein, each of the Parties agrees to use its best efforts to take or cause to be taken all actions, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Party in doing, all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the matters contemplated by this Deed and any other documents arising in connection with the Payables and, to the extent reasonably requested by another Party, to enforce rights and obligations pursuant hereto or thereto.
- 5.4 **Variation.** No variation of this Deed shall be effective unless made in writing and signed by or on behalf of each of the Parties.
- 5.5 **Assignment.** No Party may assign or transfer all or any of its rights, benefits and obligations under this Deed without the prior written consent of the other Party.
- 5.6 **Severability.** In case any provision of this Deed shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 5.7 **Costs.** Save as otherwise provided in this Deed, each Party shall pay the costs and expenses incurred by it in connection with the entering into and performance of its obligations under this Deed.

5.8 Counterparts. This Deed may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Deed.

5.9 No Third Party Rights. A Person who is not a party to this Deed shall have no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any of its terms.

5.10 Governing Law. This Deed shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of laws thereunder.

5.11 Dispute Resolution.

- (a) Any dispute, controversy, difference or claim arising out of or relating to this contract, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted.
- (b) The law of this arbitration clause shall be Hong Kong law.
- (c) The seat of arbitration shall be Hong Kong.
- (d) The number of arbitrators shall be three (3). The arbitration proceedings shall be conducted in English.

[The remainder of this page has been left intentionally blank.]

APPENDIX VIII FORWARD ELITE HOLDCO DEED OF UNDERTAKING

IN WITNESS WHEREOF, the Parties hereto have executed this Deed as of the date first written above.

Forward Elite

EXECUTED and DELIVERED)
as a **DEED** by)
FORWARD ELITE HOLDINGS LIMITED)
(傑發控股有限公司))
in the presence of:) _____
Name:
Title:

Witness name:

Witness address:

APPENDIX VIII FORWARD ELITE HOLDCO DEED OF UNDERTAKING

IN WITNESS WHEREOF, the Parties hereto have executed this Deed as of the date first written above.

Holdco

EXECUTED and DELIVERED)
as a **DEED** by)
CITY LEAD II DEVELOPMENTS LIMITED)
(城領II發展有限公司))
in the presence of:) _____
Name:
Title:

Witness name:

Witness address:

Schedule 1

Notice

From: FORWARD ELITE HOLDINGS LIMITED (傑發控股有限公司) (“Forward Elite”)
To: CITY LEAD II DEVELOPMENTS LIMITED (城領II發展有限公司) (“Holdco”)
Date: [●]

Dear Sirs,

Deed of Undertaking dated [●] (the “Deed”)

We refer to the Deed. Capitalized terms used but not otherwise defined in this notice shall have the same meanings set out in the Deed.

On the date hereof, Ever Harmonic has made a Bidco Repayment in the amount of HK\$[●]. Pursuant to Section 2.1 of the Deed, we hereby confirm that, simultaneously with such Bidco Repayment, a payable from Forward Elite to the Holdco in the principal amount equal to the Holdco’s Pro Rata Share of such Bidco Repayment, being HK\$[●], is deemed to have arisen.

Immediately following such Bidco Repayment, the outstanding aggregate principal amount of the Payables is HK\$[●].

Yours faithfully

Name:

For and on behalf of

FORWARD ELITE HOLDINGS LIMITED (傑發控股有限公司)

Schedule 2
Form of Deed of Accession

From: [●]
To: CITY LEAD II DEVELOPMENTS LIMITED (城領II發展有限公司) (“Holdco”)
Date: [●]

Dear Sirs,

Deed of Undertaking dated [●] (the “Deed”)

We refer to the Deed. This is the Deed of Accession. Capitalized terms used but not otherwise defined in this Deed of Accession shall have the same meanings set out in the Deed.

[I/We], [*insert name of new shareholder of City Lead*] hereby agree that, for so long as [I/we] remain a holder of any Equity Securities of City Lead, [I/we] shall be bound by the terms of the Deed as a debtor, and be jointly and severally liable with [Forward Elite Holdings Limited] for the performance of the obligations of the debtor under the Deed.

This Deed of Accession shall be governed by and construed in all respects in accordance with the Laws of Hong Kong, without regard to principles of conflict of laws thereunder.

Executed and Delivered as a Deed by)
[NEW SHAREHOLDER OF CITY LEAD])
in the presence of:) _____
Name:
Title:

Witness name:

Witness address:

AMENDED AND RESTATED MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

CITY LEAD II DEVELOPMENTS LIMITED

城領II發展有限公司

(adopted by a special resolution passed on 30 July, 2021)

Incorporated on the 26th day of May, 2021

INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES ACT (2021 Revision)
Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

CITY LEAD II DEVELOPMENTS LIMITED
城領II發展有限公司

1. The name of the Company is CITY LEAD II DEVELOPMENTS LIMITED 城領II發展有限公司.
2. The Registered Office of the Company shall be at the offices of Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (a) (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
 - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
 - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.

- (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.
- (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
- (e) To stand surety for or to guarantee, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration thereof.
- (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

4. Notwithstanding the generality of the objects stated in this Memorandum of Association, as of the date of establishment, the nature of business of the Company is Equity Holding Company.

5. Except as prohibited or limited by the Companies Act (2021 Revision), the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.
6. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

7. The share capital of the Company is US\$10,000.00 divided into 1,000,000,000 shares of a nominal or par value of US\$0.00001 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (2021 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in this Memorandum of Association, the Company shall have no power to issue bearer shares, warrants, coupons or certificates.

8. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (2021 Revision) and, subject to the provisions of the Companies Act (2021 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

We, the undersigned, are desirous of being formed into a Company pursuant to this Memorandum of Association and the Companies Act (2021 Revision), and we hereby agree to take the numbers of shares set opposite our name below.

Signature, Name, Occupation, and Address of Subscriber	Number of Shares Taken by Each Subscriber
For and on behalf of Vistra (Cayman) Limited of P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands Corporation <hr/> (Sd.) Authorised Signatory	ONE

DATED 26th day of May, 2021

WITNESS to the above signature:-

(Sd.)
 of P. O. Box 31119
 Grand Pavilion,
 Hibiscus Way,
 802 West Bay Road,
 Grand Cayman,
 KY1-1205
 Cayman Islands

**THE COMPANIES ACT (2021 Revision)
Company Limited by Shares**

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

**CITY LEAD II DEVELOPMENTS LIMITED
城領II發展有限公司**

1. In these Articles Table A in the Schedule to the Statute does not apply and, unless there be something in the subject or context inconsistent therewith,

“Articles” means the Articles as originally framed or as from time to time altered by Special Resolution.

“Auditors” means the persons for the time being performing the duties of auditors of the Company.

“Business Day” means a day on which Stock Exchange is open for the transaction of business, but other than any such day on which commercial banks in the PRC are required or authorised by law to be closed.

“City Lead” means City Lead Developments Limited (城領發展有限公司), a business company incorporated under the laws of the British Virgin Islands with its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

“Company” means the above named Company.

“debenture” means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not.

“Directors” means the directors for the time being of the Company.

“dividend” includes bonus.

“fully paid” shall bear the meaning as ascribed to it in the Statute.

“Member”	shall bear the meaning as ascribed to it in the Statute.
“month”	means calendar month.
“paid-up”	means paid-up and/or credited as paid-up.
“PRC”	means the People’s Republic of China which, for the purposes of these Articles, shall exclude Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China.
“registered office”	means the registered office for the time being of the Company.
“Seal”	means the common seal of the Company and includes every duplicate seal.
“Secretary”	includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company.
“share”	includes a fraction of a share.
“Special Resolution”	has the same meaning as in the Statute and includes a resolution approved in writing as described therein.
“Statute”	means the Companies Act of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force.
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“written” and “in writing”	include all modes of representing or reproducing words in visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons only include corporations.

2. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that part only of the shares may have been allotted.

3. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

CERTIFICATES FOR SHARES

4. Certificates representing shares of the Company shall be in such form as shall be determined by the Directors. Such certificates may be under Seal. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. The Directors may authorise certificates to be issued with the seal and authorised signature(s) affixed by some method or system of mechanical process.
5. Notwithstanding Article 4 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US\$1.00) or such less sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Directors may prescribe.

ISSUE OF SHARES

6. Subject to the provisions, if any, in that behalf in the Memorandum of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company (including fractions of a share) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares, warrants, coupons or certificates.

7. The Company shall maintain a register of its Members and every person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of fifty cents (US\$0.50) for every certificate after the first or such less sum as the Directors shall from time to time determine provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all such holders.

TRANSFER OF SHARES

8. The instrument of transfer of any share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.
9. The Company shall not recognize, register or effect any transfer, sale or issuance of any shares unless, before a Member (the "**Selling Member**") transfers his shares (or before the Company issues any new shares) to any third party, the Selling Member (or the Company) has offered such shares, by way of a transfer notice, to City Lead on the same terms which the Selling Member (or the Company) offers to or is offered by that third party. If City Lead does not wish to purchase such shares within 10 Business Days following receipt of the transfer notice, the Selling Member may transfer the shares (or the Company may issue such new shares) on no more favorable terms to such third party within 30 Business Days following the date of the transfer notice, and only in such circumstances the Company may recognize, register or effect such transfer, sale or issuance of any shares to such third party.

Subject to the foregoing, the Company shall, on receipt of an instrument of transfer, enter the name of the transferee of the shares in the register of Members.

10. The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 45 days in any year.

REDEEMABLE SHARES

11. (a) Subject to the provisions of the Statute and the Memorandum of Association, shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine and the rights attaching to any issued shares may, subject to the provisions of these Articles, by Special Resolution, be varied so as to provide that such shares are to be or are liable to be so redeemed.

- (b) Subject to the provisions of the Statute and the Memorandum of Association, the Company may purchase its own shares (including fractions of a share), including any redeemable shares, on such terms and in such manner as the Directors may determine and may make payment therefor in any manner authorised by the Statute, including out of capital and provided that the Company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the Company other than shares held as treasury shares.
- (c) The Company may by Special Resolution vary the redemption rights attached to a class of shares.
12. Subject to the provisions of these Articles, the manner and any of the terms of any such redemption may be determined by either the Company by ordinary resolution or by the Directors; the manner and any of the terms of any such purchase of shares may be determined solely by the Directors. The Company may make a payment in respect of the redemption or purchase of its own shares otherwise than out of its profits, share premium account, or the proceeds of a fresh issue of shares.

TREASURY SHARES

13. The Company may, subject to the provisions of the Act, acquire, hold and dispose of its own shares as treasury shares.

VARIATION OF RIGHTS OF SHARES

14. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class.

The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

15. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

COMMISSION ON SALE OF SHARES

16. The Company may in so far as the Statute from time to time permits pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

NON-RECOGNITION OF TRUSTS

17. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

18. The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all dividends or other monies payable in respect thereof.
19. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder or holders for the time being of the share, or the person, of which the Company has notice, entitled thereto by reason of his death or bankruptcy.
20. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

21. The proceeds of such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALL ON SHARES

22. (a) The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed terms, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen days notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the shares. A call may be revoked or postponed as the Directors may determine. A call may be made payable by instalments.
- (b) A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
- (c) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
23. If a sum called in respect of a share is not paid before or on a day appointed for payment thereof, the persons from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest either wholly or in part.
24. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
25. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or interest to be paid and the times of payment.

26. (a) The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may (until the same would but for such advances, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) seven per cent per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.
- (b) No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

27. (a) If a Member fails to pay any call or instalment of a call or to make any payment required by the terms of issue on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call, instalment or payment remains unpaid, give notice requiring payment of so much of the call, instalment or payment as is unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment. Such notice shall name a day (not earlier than the expiration of fourteen days from the date of giving of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed the shares in respect of which such notice was given will be liable to be forfeited.
- (b) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- (c) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
28. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture were payable by him to the Company in respect of the shares together with interest thereon, but his liability shall cease if and when the Company shall have received payment in full of all monies whenever payable in respect of the shares.

29. A certificate in writing under the hand of one Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
30. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

REGISTRATION OF EMPOWERING INSTRUMENTS

31. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

TRANSMISSION OF SHARES

32. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.
33. (a) Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.
- (b) If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

34. A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company PROVIDED HOWEVER that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

**AMENDMENT OF MEMORANDUM OF ASSOCIATION, CHANGE OF LOCATION
OF REGISTERED OFFICE & ALTERATION OF CAPITAL**

35. (a) Subject to and in so far as permitted by the provisions of the Statute, the Memorandum of Association and these Articles, the Company may from time to time by Special Resolution alter or amend its Memorandum of Association and may, without restricting the generality of the foregoing:
- (i) increase the share capital by such sum to be divided into shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.
 - (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (iii) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without nominal or par value.
 - (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
- (b) All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
- (c) Subject to the provisions of the Statute, the Company may by Special Resolution change its name or alter its objects.

- (d) Without prejudice to Article 11 hereof and to the extent authorized by the Statute, the Memorandum of Association and these Articles, the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund.
- (e) Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its registered office.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

- 36. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors of the Company may provide that the register of Members shall be closed for transfers for a stated period but not to exceed in any case 40 days. If the register of Members shall be so closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members such register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the register of Members.
- 37. In lieu of or apart from closing the register of Members, the Directors may fix in advance a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.
- 38. If the register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

GENERAL MEETING

- 39. (a) Subject to paragraph (c) hereof, the Company shall within one year of its incorporation and in each year of its existence thereafter hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the registered office on the second Wednesday in December of each year at ten o'clock in the morning.

- (b) At these meetings the report of the Directors (if any) shall be presented.
 - (c) If the Company is exempted as defined in the Statute it may but shall not be obliged to hold an annual general meeting.
40. (a) The Directors may call a general meeting at any time they think fit, and they shall on the requisition of Members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, proceed to convene a general meeting of the Company no later than 21 days from the date of deposit of the requisition signed by the requisitionists.
- (b) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.
 - (c) If the Directors do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.
 - (d) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

41. At least five days notice shall be given of an annual general meeting or any other general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company PROVIDED that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of Article 40 have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of a general meeting called as an annual general meeting by all the Members entitled to attend and vote thereat or their proxies; and

- (b) in the case of any other general meeting by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 75 per cent in nominal value or in the case of shares without nominal or par value 75 per cent of the shares in issue, or their proxies.
42. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

PROCEEDINGS AT GENERAL MEETINGS

43. No business shall be transacted at any general meeting unless a quorum of Member is present at the time when the meeting proceeds to business. One or more Members holding shares which carry in aggregate (or representing by proxy) not less than 50% of all votes attaching to all shares in issue and entitled to vote at such general meeting, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, shall be a quorum for all purposes.
44. A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
45. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.
46. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.
47. If at any general meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.

48. The Chairman may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.
49. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or any other Member present in person or by proxy.
50. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's Minute Book containing the Minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
51. The demand for a poll may be withdrawn.
52. Except as provided in Article 54, if a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.
53. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the general meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
54. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the general meeting directs and any business other than that upon which a poll has been demanded or is contingent thereon may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

55. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member of record present in person or by proxy at a general meeting shall have one vote and on a poll every Member of record present in person or by proxy shall have one vote for each share registered in his name in the register of Members.

56. In the case of joint holders of record the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members.
57. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.
58. No Member shall be entitled to vote at any general meeting unless he is registered as a shareholder of the Company on the record date for such meeting nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
59. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the general meeting whose decision shall be final and conclusive.
60. On a poll or on a show of hands votes may be given either personally or by proxy.

PROXIES

61. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised in that behalf. A proxy need not be a Member of the Company.
62. The instrument appointing a proxy shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting, or adjourned meeting provided that the Chairman of the Meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex, cable or telecopy confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.
63. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

64. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the registered office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.
65. Any corporation which is a Member of record of the Company may in accordance with its Articles or in the absence of such provision by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member of record of the Company.
66. Shares of its own capital belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

DIRECTORS

67. There shall be a Board of Directors consisting of not less than one or more than twelve persons (exclusive of alternate Directors) PROVIDED HOWEVER that the Company may from time to time by ordinary resolution increase or reduce the limits in the number of Directors. The first Directors of the Company shall be determined in writing by, or appointed by a resolution of, the subscribers of the Memorandum of Association or a majority of them.
68. The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.
69. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

70. A Director or alternate Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.
71. A Director or alternate Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.
72. A shareholding qualification for Directors may be fixed by the Company in general meeting, but unless and until so fixed no qualification shall be required.
73. A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.
74. No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is so interested as aforesaid PROVIDED HOWEVER that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him or the alternate Director appointed by him at or prior to its consideration and any vote thereon.
75. A general notice that a Director or alternate Director is a shareholder of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under Article 74 and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

ALTERNATE DIRECTORS

76. Subject to the exception contained in Article 84, a Director who expects to be unable to attend Directors' Meetings because of absence, illness or otherwise may appoint any person to be an alternate Director to act in his stead and such appointee whilst he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend meetings of the Directors and to vote thereat and to do, in the place and stead of his appointor, any other act or thing which his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor, other than appointment of an alternate to himself, and he shall *ipso facto* vacate office if and when his appointor ceases to be a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

POWERS AND DUTIES OF DIRECTORS

77. Subject to the Companies Act, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
78. The Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
79. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.
80. The Directors shall cause minutes to be made in books provided for the purpose:
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors (including those represented thereat by an alternate or by proxy) present at each meeting of the Directors and of any committee of the Directors;

- (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.
81. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
82. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

MANAGEMENT

83. (a) The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
- (b) The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.
- (c) The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- (d) Any such delegates as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities, and discretions for the time being vested in them.

MANAGING DIRECTORS

84. The Directors may, from time to time, appoint one or more of their body (but not an alternate Director) to the office of Managing Director for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a Director and no alternate Director appointed by him can act in his stead as a Director or Managing Director.
85. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

86. Except as otherwise provided by these Articles, the Directors shall meet together for the despatch of business, convening, adjourning and otherwise regulating their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes of the Directors and alternate Directors present at a meeting at which there is a quorum, the vote of an alternate Director not being counted if his appointor be present at such meeting. In case of an equality of votes, the Chairman shall have a second or casting vote.
87. A Director or alternate Director may, and the Secretary on the requisition of a Director or alternate Director shall, at any time summon a meeting of the Directors by at least two days notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held and PROVIDED FURTHER if notice is given in person, by cable, telex or telecopy the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organisation as the case may be. The provisions of Article 42 shall apply *mutatis mutandis* with respect to notices of meetings of Directors.
88. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two, a Director and his appointed alternate Director being considered only one person for this purpose, PROVIDED ALWAYS that if there shall at any time be only a sole Director the quorum shall be one. For the purposes of this Article an alternate Director or proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

89. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
90. The Directors may elect a Chairman of their Board and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
91. The Directors may delegate any of their powers to committees consisting of such member or members of the Board of Directors (including Alternate Directors in the absence of their appointors) as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
92. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.
93. All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.
94. Members of the Board of Directors or of any committee thereof may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors (an alternate Director being entitled to sign such resolution on behalf of his appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee as the case may be duly convened and held.
95. (a) A Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.

- (b) The provisions of Articles 61-64 shall *mutatis mutandis* apply to the appointment of proxies by Directors.

VACATION OF OFFICE OF DIRECTOR

96. The office of a Director shall be vacated:
- (a) if he gives notice in writing to the Company that he resigns the office of Director;
 - (b) if he absents himself (without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the Board of Directors without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office;
 - (c) if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (d) if he is found a lunatic or becomes of unsound mind.

APPOINTMENT AND REMOVAL OF DIRECTORS

97. The Company may by ordinary resolution appoint any person to be a Director and may in like manner remove any Director and may in like manner appoint another person in his stead, provided that any such ordinary resolution of a duly constituted general meeting of the Company must be passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote in favour of the resolution.
98. The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total amount of Directors (exclusive of alternate Directors) shall not at any time exceed the number fixed in accordance with these Articles.

PRESUMPTION OF ASSENT

99. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

SEAL

100. (a) The Company may, if the Directors so determine, have a Seal which shall, subject to paragraph (c) hereof, only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or Secretary-Treasurer or some person appointed by the Directors for the purpose.
- (b) The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
- (c) A Director, Secretary or other officer or representative or attorney may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.
- (d) A document to be executed as a Deed shall be executed by a Director or other person authorised by the Directors for that purpose.

OFFICERS

101. The Company may have a President, a Secretary or Secretary-Treasurer appointed by the Directors who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

102. Subject to the Statute, the Board of Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorise payment of the same out of the funds of the Company lawfully available therefore. The Company may declare dividends by ordinary resolution (up to a maximum amount as recommended by the Board of Directors), provided that any such ordinary resolution of a duly constituted general meeting of the Company must be passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote in favour of the resolution. Payment of dividends (if any) is dependent on such payment being recommended or declared by the Board of Directors.
103. The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.

104. No dividend or distribution shall be payable except out of the profits of the Company, realised or unrealised, or out of the share premium account or as otherwise permitted by the Statute.
105. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of shares they shall be declared and paid according to the amounts paid or credited as paid on the shares of such class outstanding on the record date for such dividend or distribution as determined in accordance with these Articles but no amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.
106. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
107. The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
108. Any dividend, distribution, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the share held by them as joint holders.
109. No dividend or distribution shall bear interest against the Company.

CAPITALISATION

110. The Company may upon the recommendation of the Directors by ordinary resolution authorise the Directors to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

111. The Directors shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

112. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.
113. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

AUDIT

114. The Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.
115. The Directors may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the Members in general meeting in which case the Members at that meeting may appoint Auditors. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Directors.
116. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
117. Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Directors or any general meeting of the Members, make a report on the accounts of the Company in general meeting during their tenure of office.

NOTICES

118. Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by post, cable, telex or telecopy to him or to his address as shown in the register of Members, such notice, if mailed, to be forwarded airmail if the address be outside the Cayman Islands.
119. (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected at the expiration of 60 hours after the letter containing the same is posted as aforesaid.
- (b) Where a notice is sent by cable, telex, telecopy or electronic message, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organisation and to have been effected on the day the same is sent as aforesaid.
120. A notice may be given by the Company to the joint holders of record of a share by giving the notice to the joint holder first named on the register of Members in respect of the share.

121. A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a Member by sending it through the post as aforesaid in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
122. Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (a) every person shown as a Member in the register of Members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members.
 - (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting; and

No other person shall be entitled to receive notices of general meetings.

WINDING UP

123. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.
124. If the Company shall be wound up, and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding

up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

INDEMNITY

125. The Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default respectively and no such Director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the wilful neglect or default of such Director, Officer or trustee.

FINANCIAL YEAR

126. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

AMENDMENTS OF ARTICLES

127. To the extent authorized by the Statute, the Memorandum of Association and these Articles, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

TRANSFER BY WAY OF CONTINUATION

128. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation in a jurisdiction outside the jurisdiction in which it is, for the time being, incorporated, registered or existing.

MERGER AND CONSOLIDATION

129. To the extent required by the Statute, the Memorandum of Association and these Articles, the Company may by Special Resolution merge or consolidate the Company.

For and on behalf of
Vistra (Cayman) Limited
of P. O. Box 31119
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205
Cayman Islands
Corporation

(Sd.) Authorised Signatory

DATED 26th day of May, 2021

WITNESS to the above signature:-

(Sd.)
of P. O. Box 31119
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205
Cayman Islands