THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Moody Technology Holdings Limited**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

Moody Technology Holdings Limited
滿地科技股份有限公司

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

(Stock Code: 1400)

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(1) REFRESHMENT OF GENERAL MANDATE;
AND
(2) NOTICE OF THE SGM

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

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

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

A letter from the Independent Board Committee is set out on page IBC-1 of this circular and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-15 of this circular.

A notice convening the SGM to be held at 12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Friday, 18 November 2022 at 4:00 p.m. is set out on pages SGM-1 to SGM-4 of this circular. If you are unable to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the SGM (i.e. Wednesday, 16 November 2022 at 4:00 p.m.) or any adjournment thereof.

Subject to the development of COVID-19, the Company may be required to change the SGM arrangements at short notice. Shareholders should check the Company's website for further announcements and updates on the SGM arrangements.

3 November 2022

CONTENTS

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

"2022 AGM"	the annual general meeting of the Company held on 29 June 2022
"associate(s)"	has the meaning as ascribed to it in the Listing Rules
"Board"	the board of Directors
"Business Day"	a day on which banks are generally open for business in Hong Kong, except a public holiday, a Sunday and a Saturday or a day on which a tropical cyclone warning signal no.8 or above or a "black" rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"Bye-laws"	the bye-laws of the Company, as amended from time to time
"Company"	Moody Technology Holdings Limited (滿地科技股份有限公司), a company incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1400)
"Current Issue Mandate"	the general mandate approved and granted to the Directors at the 2022 AGM to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the 2022 AGM
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent board committee of the Board comprising all independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the New General Mandate

"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a licensed corporation under the SFO licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the New General Mandate
"Independent Shareholder(s)"	Shareholder(s) other than any controlling Shareholders and their associates or, where there are no controlling Shareholders, any Directors (excluding independent nonexecutive Directors) and the chief executive of the Company and their respective associates who shall hold Shares as at the date of the SGM
"Latest Practicable Date"	28 October 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular
"Listing Committee"	has the same meaning ascribed thereto under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"New General Mandate"	a general mandate proposed to be granted to the Directors at the SGM to allot, issue or otherwise deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the SGM
"PRC"	the People's Republic of China, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"SGM"	the special general meeting of the Company to be held at 12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Friday, 18 November 2022 at 4:00 p.m. for the purpose of considering, and if though fit, approving the proposed grant of the New General Mandate
"Share(s)"	ordinary share(s) of HK$0.10 each in the issued share capital of the Company
"Shareholder(s)"	holder of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

Moody Technology Holdings Limited
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(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)
(Stock Code: 1400)
(Provisional Liquidators Appointed)
(For Restructuring Purposes)

Executive Directors:
Mr. Li Wanyuan *(Acting Chairman)*
Ms. Lin Yuxi

Independent Non-Executive Directors:
Mr. Chow Yun Cheung
Mr. Lin Yugang
Mr. Liu Junting

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:
20/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

3 November 2022

To the Shareholders

Dear Sir or Madam,

(1) REFRESHMENT OF GENERAL MANDATE; AND (2) NOTICE OF THE SGM

INTRODUCTION

The Board proposes to refresh the Current Issue Mandate and grant the New General Mandate. The purpose of the circular is to provide the Shareholders with, among other things, (i) information in respect of the resolution to be proposed at the SGM regarding the proposed grant of the New General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the New General Mandate; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the New General Mandate; and (iv) a notice of the SGM.

I. REFRESHMENT OF GENERAL MANDATE

Existing mandate to issue shares

Pursuant to an ordinary resolution passed by the Shareholders at the 2022 AGM, the Directors were granted the Current Issue Mandate to allot and issue up to 12,546,128 Shares, representing 20% of the issued share capital of the Company as at the date of the 2022 AGM. There had not been any refreshment of the Current Issue Mandate since the 2022 AGM up to the Latest Practicable Date.

Fundraising activities under the Current Issue Mandate

Save for the fundraising activity mentioned below, the Company has not carried out other fundraising activities under the Current Issue Mandate since the 2022 AGM up to the Latest Practicable Date.

Date(s) of Announcement	Fundraising activities	Net proceeds raised	Intended use of proceeds	Utilised Proceeds up to the Latest Practicable Date	Actual use of proceeds
5 July 2022 and 27 July 2022	Subscription of new shares under general mandate	Approximately HK$4.59 million	General working capital of the Group and costs of debt restructuring	Approximately HK$3.63 million	Costs of debts restructuring of approximately HK$1.00 million and general working capital of the Group of approximately HK$2.63 million, of which (i) approximately HK$1.43 million for repayment of interests, approximately HK$0.6 million for staff costs and (ii) approximately HK$0.6 million for legal and professional fees

Extent of Current Issue Mandate utilised

Subsequent to the completion of the subscription as set out above, there remains no Shares issuable under the Current Issue Mandate as at the Latest Practicable Date.

Proposed New General Mandate

Pursuant to an ordinary resolution passed by the Shareholders at the 2022 AGM, the Directors were granted the Current Issue Mandate to issue, allot and deal with up to 12,546,128 Shares, representing 20% of the issued share capital of the Company of 62,730,642 Shares. There has not been any refreshment of the Current Issue Mandate since the 2022 AGM up to the Latest Practicable Date.

As at the Latest Practicable Date, the Current Issue Mandate has been utilised as to 12,546,128 Shares, representing 100.00% of the number of Shares which were allowed to be issued, allotted and dealt with under the Current Issue Mandate.

Subject to the Independent Shareholders' approval of the New General Mandate, and assuming that no other Shares will be issued and/or repurchased by the Company on or prior to the date of the SGM, the Shares in issue as at the date of the SGM would be 75,276,770 Shares, which means that under the New General Mandate, the Directors would be authorised to allot, issue and deal with not more than 15,055,354 new Shares, being 20% of the Shares in issue as at the date of the SGM. The New General Mandate will, if granted, expire at the earliest of: (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting of the Company is required to be held by law or by its Bye-laws; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the Company is in discussions with a placing agent and potential investors regarding a potential placing exercise by way of issuance of new Shares, but the major terms have not been concluded and no legally binding agreement has been entered into by the Company with any party for the potential fund raising. It is expected the proceeds raised from such potential placing exercise will be used for general working capital. Further announcement(s) in respect of the above will be made by the Company in compliance with the Listing Rules as and when appropriate.

Reasons for the proposed New General Mandate

The Company is an investment holding company. Its subsidiaries are principally engaged in sales of shoes and clothes mainly in Asia as well as the design, manufacturing and sales of fashions in the PRC.

The Board would like to provide flexibility for the Company to raise funds for its general working capital and for the Group's potential business expansions and acquisitions through equity financing. As at the Latest Practicable Date, the Group's major funding needs are for general working capital in its ordinary and usual course of business and for potential business expansions and acquisitions of the Group. The Company's expected potential funding needs for the next 12 months include:

- approximately HK$4.5 million as working capital and other operating expenses of the Group by 31 December 2022;

- approximately HK$1.0 million as working capital for legal and professional fees by 31 December 2022; and

- approximately HK$2.0 million for potential business expansions and acquisitions by the Group by 31 December 2022. As at the Latest Practicable Date, save and except for the proposed acquisition of approximately 80.95% of the issued share capital of Leader Elastic Limited as disclosed in the Company's announcement dated 14 October 2022, no other target has been identified by the Group and no agreement or negotiation has been entered into by the Company at this stage.

The above estimated capital requirement is to be utilised for the Group's working capital and potential business expansions and acquisitions only.

Based on the Group's unaudited results for the six months ended 30 June 2022, (i) the Group had cash and cash equivalents of approximately RMB0.7 million, (ii) the Group recorded a total comprehensive loss of approximately RMB50.2 million for the six months ended 30 June 2022, (iii) the Group reported net current liabilities and net liabilities of of approximately RMB1,101.7 million and RMB1,096.0 million respectively, with total assets of approximately RMB222.3 million and total liabilities of approximately RMB1,318.3 million, (iv) the Company reported net current liabilities of approximately RMB707.7 million and net liabilities of approximately RMB890.0 million, with total assets of approximately RMB5.0 million and total liabilities of approximately RMB895.0 million.

As at 30 June 2022, the Company's indebtedness largely comprised a total of 230 bonds issued by the Company in the aggregate principal amount of approximately RMB665.30 million. In this regard, the Company proposed to implement the debt restructuring scheme (the "**Scheme**"), which became effective on 5 September 2022. The expected completion date of the Scheme will take place in or around late November 2022. Upon completion of implementation of the Scheme, which will involve the allotment of Shares at HK$0.317 per Share to discharge the claims under the Scheme, it is expected that the existing indebtedness of the Company of approximately HK$1,034.3 million (subject to further determination in accordance with the terms of the Scheme) (the "**Scheme Claims**") will be discharged in full, representing 97.9% of the Company's indebtedness and 66.4% of the Group's indebtedness as at 30 June 2022. For further details of the Scheme, please refer to the announcements made by the Company dated 11 November 2020, 11 April 2022, 18 May 2022, 9 June 2022, 28 June 2022 and 5 September 2022 and the circular of the Company dated 21 July 2022 in relation to the Scheme.

Further, the Company has raised net proceeds of approximately HK$4.59 million from the subscription completed on 27 July 2022 (the "**Subscription**"), which has been partially utilised as general working capital and costs of debt restructuring of the Group as at the Latest Practicable Date. The Company expects that the remaining proceeds from the Subscription of approximately HK$0.96 million shall be used up soon in view of the immediate repayment obligations of the Group's expenses, that primarily consist of staff costs, audit fees, rental, legal and professional expense and costs of debt restructuring.

Accordingly, even taking into account the successful implementation of the Scheme, the Company's liquidity would be under pressure in the short run based on the fact that: (i) the Group had cash and cash equivalents of approximately RMB0.8 million with net current liabilities (after deducting the Scheme Claims) of approximately RMB377.9 million as at 31 August 2022; (ii) the Group had outstanding payments in an aggregate amount of approximately RMB312.4 million as at 31 August 2022 (after deducting the Scheme Claims), of which approximately RMB308.6 million has already fallen due, including but not limited to bank borrowings of approximately RMB63.3 million, interest payables of approximately RMB85.1 million, trade payables of approximately RMB73.5 million, payables for purchases of property, plant and equipment of RMB35.6 million, tax payable of approximately RMB25.6 million, accrued wages of RMB19.8 million, and legal and professional fees of approximately RMB1.9 million and other expenses, and the remaining amount of approximately RMB3.8 million shall fall due by the end of December 2022; and (iii) the estimated operating expenses of the Group of approximately HK$8.8 million (i.e. HK$1.1 million per month) prior to the next annual general meeting of the Company which will be held on or before 30 June 2023 ("**2023 AGM**"). On this basis, the Board therefore considers the Company has an imminent need to refresh the Current Issue Mandate now prior to the 2023 AGM and that the grant of the New General Mandate will allow the Company to capture any suitable fundraising opportunities in a timely manner should funding needs arise or attractive terms for investment become available prior to the 2023 AGM, in order to (i) meet the immediate repayment obligations of the Group including staff costs, audit fees, rental, legal and professional expense and other expenses, (ii) ease its liquidity pressure of the Company, and (iii) capture potential business expansions and acquisitions opportunities. As at the Latest Practicable Date, the Company is in discussions with a placing agent and potential investors regarding a potential placing exercise by way of issuance of new Shares, but the major terms have not been concluded and no legally binding agreement has been entered into by the Company with any party for the potential fund raising. Should suitable fundraising opportunities on favourable terms arise prior to the 2023 AGM, the Company can utilise the New General Mandate for the proposed equity financing and the proceeds from which may be used for the repayment of its short-term liabilities which have already become due and/or general working capital.

In this connection, the Directors have also considered other financing alternatives such as debt financing, rights issue, open offer, issuing shares under specific mandate or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into account the then financial position, capital structure and flexibility of the Group as well as the prevailing market condition. However, the Board believes that the proposed grant of the New General Mandate serves the best interests of the Company and the Shareholders considering that:

(i) debt financing is less suitable as compared to equity financing by way of issue of new shares under general mandate given that (a) the latter does not incur any interest expenses on the Group as compared with bank financing or the issue of bonds, (b) in light of the financial condition and liability pressure, the on-going Scheme, and that the fact that the Company is still negotiating with the local creditor banks in the PRC to renew or extend the existing bank borrowings owed by the PRC subsidiaries of the Group, it will be difficult, uncertain and time-consuming for the Company to negotiate for the issue of more bonds or obtain additional bank borrowings;

(ii) pre-emptive fundraising methods such as rights issue or open offer may involve substantial time to complete as compared to equity financing by issuance of new Shares under general mandate. In particular, a rights issue or an open offer normally takes at least five to six weeks, and lengthy discussions with potential commercial underwriters may also be involved. If shareholders' approval is required, it may take over two months, which is primarily due to the time for the issuer to prepare a shareholder's circular and the notice period for the shareholders' meeting. Therefore, it would not allow the Company to satisfy its funding requirements in a timely manner if required; and

(iii) as compared to equity financing by issuance of new Shares under general mandate, issuing Shares under specific mandate would involve extra time from the finalisation of the relevant terms of the fundraising plan, the preparation, printing and dispatch of the relevant circular and other documentations, as well as the holding and convening of special general meeting on each occasion of issue, and equity financing by issuance of new Share sunder general mandate would allow the Company to avoid the uncertainties in such circumstances where the approval for specific mandate may not be obtained in a timely manner.

Accordingly, the Board proposes that the New General Mandate shall be granted to the Directors. As at the Latest Practicable Date, the Company has no intention to further refresh the New General Mandate before the 2023 AGM.

The Board also considers that if the Company is unable to identify any other suitable fundraising opportunities with attractive terms prior to the 2023 AGM, it will be able to respond to the market promptly with the New General Mandate.

The Directors confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief. In this connection, the Company has also considered the feasibility of the rights issue and is in the course of negotiation with a number of the prospective underwriters for the proposed rights issue which may or may not be materialised. In the event the proposed rights issue materialised, the Company will make further announcements in this regard in due course in compliance with the Listing Rules.

Based on the total number of issued Shares as at the Latest Practicable Date (i.e. 75,276,770 Shares) and assuming that there is no change in the issued share capital of the Company prior to the date of the SGM, the New General Mandate, if granted, will allow the Directors to allot and issue up to 15,055,354 new Shares.

Fundraising activities of the Company in the past twelve months

Date(s) of Announcement	Fundraising activities	Net proceeds raised	Intended use of proceeds	Utilised Proceeds up to the Latest Practicable Date	Actual use of proceeds
13 April 2022 and 11 May 2022	Subscription of new shares under general mandate	Approximately HK$2.42 million	Costs of debts restructuring and general working capital of the Group	Fully utilised	Costs of debts restructuring of approximately HK$1.20 million and general working capital of the Group of approximately HK$1.22 million, of which (i) approximately HK$0.60 million for staff costs; and (ii) approximately HK$0.62 million for legal and professional fees
5 July 2022 and 27 July 2022	Subscription of new shares under general mandate	Approximately HK$4.59 million	Costs of debts restructuring and general working capital of the Group	Approximately HK$3.63 million	Costs of debts restructuring of approximately HK$1.00 million and general working capital of the Group of approximately HK$2.63 million, of which (i) approximately HK$1.43 million for repayment of interests; (ii) approximately HK$0.60 million for staff costs; and (iii) approximately HK$0.60 million for legal and professional fees

Save as disclosed above, the Company has not conducted any other equity fundraising activities in the past twelve months immediately preceding the Latest Practicable Date.

Potential dilution effect

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose only, the potential dilution effect on the shareholdings upon full utilisation of the New General Mandate assuming that the number of issued Shares remains unchanged between the Latest Practicable Date and the date of the SGM:

	As at the Latest Practicable Date		**Upon full utilisation of the New General Mandate**	
	No. of Shares	*%*	*No. of Shares*	*%*
Existing public Shareholders	75,276,770	100.00	75,276,770	83.33
Shares to be issued under the New General Mandate	–	–	15,055,354	16.67
Total	75,276,770	100.00	90,332,124	100.00

Assuming that (i) the grant of New General Mandate is approved at the SGM; and (ii) no Shares are repurchased and no new Shares are issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive), 15,055,354 Shares, which represent approximately 16.67% of the issued share capital of the Company as enlarged by the issue of such Shares. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 100.00% to approximately 83.33% upon full utilisation of the New General Mandate.

Considering that the Current Issue Mandate of 12,546,128 Shares has been fully utilized and assuming the full utilization of the New General Mandate of 15,055,354 Shares, the aggregated dilution impact on the shareholders taking into account the fund raisings since the 2022 AGM shall be approximately 30.56%. Further, taking into account the Scheme, the potential dilution effect of the Company's shareholding shall be approximately 98.13%.

The Company is well aware that unlike other forms of equity fund raising such as rights issue and open offer which allow the Shareholders to maintain their respective pro-rata shareholding interests in the Company, the shareholdings of the Shareholders will be diluted due to the new Shares to be issued upon the utilisation of the New General Mandate.

However, taking into account that (i) the Company has an imminent need to refresh the Current Issue Mandate now prior to the 2023 AGM as further elaborated under the section headed "Reasons for the proposed new General Mandate" above; (ii) the proposed grant of the New General Mandate would provide the Company with the necessary flexibility to capture potential investment opportunities and fulfil any possible funding needs in a timely manner and strengthen the capital base of the Company before the 2023 AGM; (iii) the obtaining of shareholders' approval on specific mandate or other pro-rata equity fund raising will require relatively longer lead time; (iv) equity financing does not create any interest paying obligations on the Group which would further worsen the net liabilities position of the Company; (v) the grant of the New General Mandate will be subject to Independent Shareholders' approval which is a fair and reasonable arrangement to all Shareholders; and (vi) the potential dilution impact on the existing Shareholders may be even greater for rights issues and open offer if the price of rights issues or open offer involve a substantial discount to the market price and if the Shareholders choose not to subscribe for the Shares under the rights issue or open offer, the Board takes the view that that (i) the financial flexibility outweighs to a reasonable extent the dilution effect of the existing Shareholders and such potential dilution to the shareholdings of the existing public Shareholders to be justifiable and acceptable; and (ii) the grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole.

Taking into account (i) that the Current Issue Mandate has been fully utilised as at the Latest Practicable Date; (ii) the existing financial resources of the Group; (iii) the Group had outstanding payments in an aggregate amount of approximately RMB312.4 million as at 31 August 2022 (after deducting the Scheme Claims), of which approximately RMB308.6 million has already fallen due, including but not limited to bank borrowings of approximately RMB63.3 million, interest payables of approximately RMB85.1 million, trade payables of approximately RMB73.5 million, payables for purchases of property, plant and equipment of RMB35.6 million, tax payable of approximately RMB25.6 million, accrued wages of RMB19.8 million, and legal and professional fees of approximately RMB1.9 million and other expenses, and the remaining amount of approximately RMB3.8 million shall fall due by the end of December 2022; (iv) the next annual general meeting of the Company will not be held about eight months later; and (v) issuance of new Shares under the general mandate is less completion risk and time-consuming than alternative financing methods and enables the Company to capture any capital raising and/or prospective investment opportunity in a timely manner, the Directors consider that the grant of the New General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. SGM

Set out on pages SGM-1 to SGM-4 is a notice convening the SGM for the purposes of considering and, if thought fit, approving, the New General Mandate.

The register of members of the Company will be closed from Tuesday, 15 November 2022 to Friday, 18 November 2022, (both days inclusive), for the purposes of ascertaining Shareholder's entitlement to attend and vote at the SGM, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the SGM, all transfer documents accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately must be lodged for registration with the share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 14 November 2022.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has material interest in any resolution to be proposed at the SGM and accordingly, no Shareholder is required to abstain from voting in favour of nor have indicated the intention to vote against the resolution in the SGM.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the SGM (i.e. not later than 4:00 p.m. on Wednesday, 16 November 2022) or any adjournment thereof (as the case may be).

Implications under the Listing Rules

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the SGM will therefore demand a poll for every resolution put forward at the SGM pursuant to Article 66 of the articles of association of the Company. An announcement of the results of the poll will be published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (http://moodytech-holdingltd.com) after the SGM.

According to Rule 13.36(4) of the Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent nonexecutive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the New General Mandate. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, (i) there were no controlling Shareholders; and (ii) there were no Directors, chief executive of the Company and their respective associates holding any Shares. Hence, there are no Shareholders who are required to abstain from voting in favour of the resolution for approving the proposed grant of the New General Mandate at the SGM.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising Mr. Chow Yun Cheung, Mr. Lin Yugang and Mr. Liu Junting, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the New General Mandate. Rainbow Capital (HK) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate.

III. RECOMMENDATIONS

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page IBC-1 of this circular and the letter of advice from the Independent Financial Adviser set out on pages IFA-1 to IFA-15 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed New General Mandate and the principal factors considered by it in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the proposed grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and its Shareholders and accordingly recommends the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the General Mandate at the SGM.

The Board considers that the proposed grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole and therefore recommends the Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

IV. RESPONSIBILITY STATEMENT

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

By order of the Board
Moody Technology Holdings Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Li Wanyuan
Acting Chairman and Executive Director

Moody Technology Holdings Limited
滿地科技股份有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)
(Stock Code: 1400)
(Provisional Liquidators Appointed)
(For Restructuring Purposes)

3 November 2022

To the Independent Shareholders

Dear Sir/Madam

REFRESHMENT OF GENERAL MANDATE

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the proposed grant of the New General Mandate, details of which are set out in the circular of the Company to the Independent Shareholders dated 3 November 2022 ("**Circular**"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the principal reasons and factors considered by, and the advice of Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the terms of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the proposed grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the proposed grant of the New General Mandate.

Yours faithfully
Independent Board Committee

Mr. Chow Yun Cheung	**Mr. Lin Yugang**	**Mr. Liu Junting**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate, which has been prepared for the purpose of incorporation in this circular.

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

3 November 2022

To the Independent Board Committee and the Independent Shareholders

Moody Technology Holdings Limited
20/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate, details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 3 November 2022 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

At the 2022 AGM held on 29 June 2022, the Current Issue Mandate was granted by the Shareholders to the Directors to allot, issue and deal with up to 12,546,128 Shares, representing 20% of the issued share capital of the Company as at the date of the 2022 AGM. During the period from the date of grant of the Current Issue Mandate and up to the Latest Practicable Date, the Current Issue Mandate was fully utilised, where a total of 12,546,128 Shares, representing 100% of the Shares which can be allotted, issued and dealt with under the Current Issue Mandate, were allotted and issued by the Company for subscription on 27 July 2022. As at the Latest Practicable Date, there remains no Shares issuable under the Current Issue Mandate. Therefore, the Board proposes to refresh the Current Issue Mandate and grant the New General

Mandate for the Directors to allot, issue and deal with new Shares of not exceeding 20% of issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the SGM.

Pursuant to Rule 13.36(4) of the Listing Rules, as the grant of the New General Mandate is proposed to be made before the next annual general meeting of the Company, it will be subject to Independent Shareholders' approval by way of an ordinary resolution at the SGM. Any controlling Shareholders and their associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the New General Mandate.

As at the Latest Practicable Date, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, (i) there were no controlling Shareholders; and (ii) there were no Directors, chief executive of the Company and their respective associates holding any Shares. Hence, there are no Shareholders who are required to abstain from voting in favour of the resolution for approving the proposed grant of the New General Mandate at the SGM.

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Chow Yun Cheung, Mr. Lin Yugang and Mr. Liu Junting, has been established to advise the Independent Shareholders on whether the proposed grant of the New General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group. Accordingly, we are qualified to give independent advice in respect of the proposed grant of the New General Mandate.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in respect of the proposed grant of the New General Mandate, we have taken into account the principal factors and reasons set out below:

1. Background of the proposed grant of the New General Mandate

Pursuant to an ordinary resolution passed by the Shareholders at the 2022 AGM, the Directors were authorised to, among other things, allot and issue up to 12,546,128 Shares, representing 20% of the issued share capital of the Company as at the date of the 2022 AGM held on 29 June 2022.

As disclosed in the announcements of the Company dated 5 July 2022 and 27 July 2022, the Company entered into subscription agreements in relation to the subscription of 12,546,128 new Shares (the "**Subscription**") on 5 July 2022 and the Subscription was completed on 27 July 2022. As such, the Current Issue Mandate has been fully utilised. As at the Latest Practicable Date, the Company has not refreshed the Current Issue Mandate since the date of the 2022 AGM. It is expected that the next annual general meeting of the Company (the "**2023 AGM**") will be held on or before 30 June 2023, which is about eight months from the date of the Circular.

In order to provide the Company with the flexibility to raise funds for its general working capital and for the Group's potential business expansions and acquisitions through equity financing, the Board proposes to seek the approval from the Independent Shareholders to grant the New General Mandate at the SGM.

As at the Latest Practicable Date, the Company had 75,276,770 Shares in issue. On the basis that no other Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the grant of the New General Mandate would allow the Directors to allot, issue and deal with not more than 15,055,354 new Shares, being 20% of the Shares in issue as at the date of the SGM.

The New General Mandate will, if granted, expire at the earliest of:

(i) the date of the next annual general meeting of the Company;

(ii) the date by which the next annual general meeting of the Company is required to be held by law or by its Bye-laws; or

(iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

2. Background of the Group

The Group is principally engaged in sales of shoes and clothes in Asia as well as the design, manufacturing and sales of fabrics in the PRC.

Set out below is a summary of the consolidated financial information of the Group for (i) the two years ended 31 December 2021 ("**FY2020**" and "**FY2021**", respectively) as extracted from the Company's annual report for the year ended 31 December 2021; and (ii) the six months ended 30 June 2021 and 2022 ("**6M2021**" and "**6M2022**", respectively) as extracted from the Company's interim report for the six months ended 30 June 2022 (the "**2022 Interim Report**"):

(i) Financial performance

	For the year ended 31 December		**For the six months ended 30 June**	
	2020	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	**206,666**	**155,541**	**145,650**	**30,433**
– Shoes and clothes	191,443	125,645	129,800	17,359
– Fabrics	15,223	29,896	15,850	13,074
Cost of sales	(218,981)	(151,914)	(138,691)	(28,118)
Gross (loss)/profit	**(12,315)**	**3,627**	**6,959**	**2,315**
Other income/(expenses), net	40,825	21,078	6,031	(1,344)
Impairment losses for trade and other receivables	(11,944)	(20,090)	–	–
Selling and distribution costs	(7,362)	(3,023)	(1,042)	(772)
General and administrative expenses	(101,344)	(33,836)	(14,973)	(14,770)
Loss from operations	(92,140)	(32,244)	(3,025)	(14,571)
Finance costs	(126,909)	(68,284)	(37,235)	(35,087)
Loss before tax	**(219,049)**	**(100,528)**	**(40,260)**	**(49,658)**
Loss attributable to the Shareholders	**(219,049)**	**(100,528)**	**(40,260)**	**(50,279)**

FY2021 as compared to FY2020

Revenue of the Group was approximately RMB155.5 million in FY2021, representing a decrease of approximately 24.7% as compared to approximately RMB206.7 million in FY2020. Such decrease was mainly attributable to the combined effects of (a) the decrease in the revenue generated from the sales of the Group's shoes and clothes by approximately 34.4% as a result of the week domestic consumption of the Asian countries, mainly Korea and Japan, which were still under the recovery from the COVID-19 pandemic during FY2021; and (b) the increase in the revenue of the Group's fabrics segment by approximately

96.4% as a result of the increase in the average selling price of fabrics products from approximately RMB1.8 per meter in 2020 to approximately RMB5.4 per meter in 2021.

Gross profit of the Group in FY2021 amounted to approximately RMB3.6 million, as compared to gross loss of approximately RMB12.3 million in FY2020, primarily attributable to the recovery of the Group's fabrics business. The average selling price of fabrics products has increased by 200% in FY2021 while the average cost of fabrics has only increased by approximately 35.9% from approximately RMB3.9 per meter in 2020 to approximately RMB5.3 per meter in 2021.

The Group recorded loss attributable to the Shareholders of approximately RMB100.5 million in FY2021, as compared to approximately RMB219.0 million in FY2020. The reduction in loss was primarily attributable to (a) the turnaround from gross loss to gross profit as mentioned above; (b) the decrease in general and administrative expenses by approximately RMB67.5 million mainly due to the decreases in the Group's impairment losses of inventories and provision of prepayments; and (c) the decrease in finance costs by approximately RMB58.6 million mainly due to that more imputed interests of the bonds were provided in FY2020 while no such provision was made in FY2021, which was partially offset by (a) the decrease in net other income by approximately RMB19.7 million as a result of the decreased net foreign exchange gains; and (b) the increase in impairment losses for trade and other receivables by approximately RMB8.1 million.

6M2022 as compared to 6M2021

Revenue of the Group was approximately RMB30.4 million in 6M2022, representing a decrease of approximately 79.1% as compared to approximately RMB145.7 million in 6M2021. Such decrease was mainly attributable to (a) the decrease in the revenue generated from the Group's shoes and clothes segment by approximately 86.6% as a result of the decrease in sales demand from the customers in Korea due to the continuous pandemic; and (b) the decrease in the revenue generated from the Group's fabrics segment by approximately 17.5% as a result of the decreased sales quantities.

Gross profit of the Group in 6M2022 amounted to approximately RMB2.3 million, representing a decrease of approximately 66.7% from approximately RMB7.0 million in 6M2021, which was generally in line with the decrease in the Group's revenue during the period.

The Group recorded loss attributable to the Shareholders of approximately RMB50.3 million in 6M2022, as compared to approximately RMB40.3 million in 6M2021, primarily attributable to (a) the decrease in revenue as mentioned above; and (b) the turnaround from net other income of approximately RMB6.0 million in 6M2021 to net other expenses of approximately RMB1.3 million in 6M2022 as a result of the change from exchange gain to exchange loss due to a depreciation of RMB against HKD in 6M2022.

(ii) Financial position

	As at 31 December		As at 30 June
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	(audited)	(unaudited)
Non-current assets, including:	**226,746**	**206,213**	**195,739**
– Property, plant and equipment	209,714	189,587	179,316
Current assets, including:	**53,509**	**21,503**	**26,567**
– Trade and other receivables	46,339	17,256	24,285
– Bank and cash balances	3,571	2,235	692
Total assets	**280,255**	**227,716**	**222,306**
Current liabilities, including:	**983,267**	**1,093,130**	**1,128,309**
– Trade and other payables	275,524	291,359	279,154
– Borrowings	707,743	801,492	848,217
Non-current liabilities, including:	**256,275**	**182,383**	**190,020**
– Borrowings	243,177	169,452	177,240
Total liabilities	**1,239,542**	**1,275,513**	**1,318,329**
Net current liabilities	**(929,758)**	**(1,071,621)**	**(1,101,742)**
Net liabilities	**(959,287)**	**(1,047,797)**	**(1,096,023)**
Current ratio	0.05	0.02	0.02

As at 30 June 2022, total assets of the Group amounted to approximately RMB222.3 million, which mainly included (a) property, plant and equipment of approximately RMB179.3 million which mainly represented the machinery, equipment and buildings of the Group; and (b) trade and other receivables of approximately RMB24.3 million. As at 30 June 2022, the Group only had bank and cash balances of approximately RMB0.7 million.

As at 30 June 2022, total liabilities of the Group amounted to approximately RMB1,318.3 million, which mainly included (a) trade and other payables of approximately RMB279.2 million; and (b) borrowings of approximately RMB1,025.5 million, including (1) bank borrowings of approximately RMB163.3 million, among which approximately RMB110.3 million were secured by the Group's property, plant and equipment and right-of-use assets; and (2) unsecured bonds of approximately RMB862.2 million which were unsecured, bearing interest rates at a range of 1.5% to 40% per annum, and repayable during the period from July 2022 to December 2029. As at 30 June 2022, approximately RMB63.3 million of bank borrowings were overdue due to the Group's temporary shortage of funds. As such, the Group is subject to a penalty interest expense for the overdue period.

As at 30 June 2022, the Group had net current liabilities of approximately RMB1,101.7 million with a current ratio of approximately 0.02, indicating that the Group did not have sufficient liquid assets to cover its short-term liabilities. The Group recorded a net liability position of approximately RMB1,096.0 million as at 30 June 2022.

(iii) Overall comments

Taking into account (a) that the Group has been incurring losses from operations for the two years ended 31 December 2021 and six months ended 30 June 2022; (b) that the outbreak of COVID-19 is expected to continue to affect the Group's financial performance, especially the decrease in sales demand from the customers in Asian countries; (c) the worsen net current liabilities and net liabilities position of the Group; and (d) that the Current Issue Mandate has been fully utilised and can only be renewed (if not refreshed now) at the 2023 AGM which is expected to be held on or before 30 June 2023, we consider that the Group's liquidity position is under severe pressure in the near term. As such, we consider that the grant of the New General Mandate would provide the Company with an additional financing option to raise further capital to ease such liquidity pressure prior to the 2023 AGM.

3. Reasons for the grant of the New General Mandate

As disclosed in the Letter from Board, given that the Current Issue Mandate has been fully utilised, the Board proposes to seek the approval from the Independent Shareholders to grant the New General Mandate at the SGM to allow the Company to capture any suitable fundraising opportunities in a timely manner should funding needs arise or attractive terms for investment become available prior to the 2023 AGM, in order to (i) meet the immediate repayment obligations of the Group including staff costs, audit fees, rental, legal and professional expense and other expenses; (ii) ease the liquidity pressure of the Company; and (iii) capture potential business expansions and acquisitions opportunities.

Based on the 2022 Interim Report, the Group had bank and cash balances of only approximately RMB0.7 million with net current liabilities of approximately RMB1,101.7 million as at 30 June 2022. As at 30 June 2022, the Company's indebtedness largely comprised a total of 230 bonds issued by the Company in the aggregate principal amount of approximately RMB665.3 million. Due to the insolvency of the Company and in order to restructure the Company's indebtedness, the Company proposed to implement the debt restructuring scheme (the "**Scheme**"), which became effective on 5 September 2022. The expected completion date of the Scheme will take place in or around late November 2022. Upon completion of implementation of the Scheme, which will involve the allotment of Shares at HK$0.317 per Share to discharge the claims owned to the Scheme creditors under the Scheme, it is expected that the existing indebtedness of the Company of approximately HK$1,034.3 million (subject to further determination in accordance with the terms of the Scheme) (the "**Scheme Claims**") will be discharged in full, representing approximately 97.9% of the Company's indebtedness and 66.4% of the Group's indebtedness as at 30 June 2022. In addition, the Company has raised net proceeds of approximately HK$4.59 million from the Subscription completed on 27 July 2022, in which approximately HK$3.63 million has been utilised as general working capital and costs of debt restructuring of the Group as at the Latest Practicable Date. As advised by the Directors, it is expected that the remaining proceeds from the Subscription of approximately HK$0.96 million shall be used up soon in view of the larger amount of immediate repayment obligations of the Group including staff costs, audit fees, rental, legal and professional expense and costs of debt restructuring. Although the Company had no concrete fundraising plan as at the Latest Practicable Date, the Company is expected to have funding needs of approximately HK$7.5 million in the next 12 months for, among others, working capital for staff costs, rental costs, other operating expenses and legal and professional fees as well as potential business expansions and acquisitions by the Group by 31 December 2022. Since a decision in respect of any fund-raising opportunities is often required to be made within a very short period of time, we concur with the Directors that the grant of the New General Mandate will allow the Company to have the flexibility to capture any suitable fund-raising opportunities in a timely manner that may arise before the 2023 AGM in order to meet its short-term liabilities.

In assessing whether the Company has an imminent need to refresh the Current Issue Mandate now prior to the 2023 AGM which is expected to be approximately eight months away from the date of the Circular, we have reviewed (i) the unaudited consolidated management accounts of the Group for the eight months ended 31 August 2022; (ii) the breakdown of the immediate repayment obligations of the Group as at 31 August 2022 after discharging the Scheme Claims in full; and (iii) the breakdown of the average monthly operating expenses of the Group for the eight months ended 31 August 2022. Based on our review and discussion with the management of the Group, we noted that (i) the Group had bank and cash balances of approximately RMB0.8 million with net current liabilities of approximately RMB377.9 million as at 31 August 2022 assuming the Scheme Claims are discharged in full; (ii) the Group had outstanding payments in an aggregate amount of approximately RMB312.4 million as at 31 August 2022 (after deducting the Scheme Claims), of which approximately RMB308.6 million has already fallen due, including but not limited to bank borrowings of approximately RMB63.3 million, interest payables of approximately RMB85.1 million, trade payables of approximately RMB73.5 million, payable for purchase of plant, property and equipment of approximately RMB35.6 million, tax payable of approximately RMB25.6 million, accrued wages of approximately RMB19.8 million, legal and professional fees of approximately RMB1.9 million and other expenses, and the remaining amount of RMB3.8 million shall fall due by the end of December 2022; (iii) the Group currently does not have any banking facilities; and (iv) the estimated operating expenses of the Group of approximately HK$8.8 million (i.e. HK$1.1 million per month) prior to the 2023 AGM. As such, the Company's liquidity would be under pressure in the short run. On this basis, we consider that the Company has an imminent need to refresh the Current Issue Mandate now prior to the 2023 AGM. As at the Latest Practicable Date, the Company is in discussions with a placing agent and potential investors regarding a potential placing exercise by way of issuance of new Shares, but the major terms have not been concluded and no legally binding agreement has been entered into by the Company with any party for the potential fund raising. It is expected the proceeds raised from such potential placing exercise will be used for general working capital. Should suitable fundraising opportunities on favorable terms arise prior to the 2023 AGM, the Company can utilise the New General Mandate for the proposed equity financing and the proceeds from which may be used for the repayment of its short-term liabilities which have already become due and/or general working capital.

As stated in the section headed "2. Background of the Group – (i) Financial performance" above, the financial performance of the Group for the two years ended 31 December 2021 and six months ended 30 June 2022 was adversely affected by the outbreak of COVID-19. Given the outbreak of COVID-19 is expected to continue to affect the Group's financial performance, especially the decrease in sales demand from the customers in Asian countries, we consider that having the fund-raising capability through the grant of the New General Mandate is a prudent approach in maintaining the financial flexibility of the Group and therefore maintaining sufficient cashflow for the normal operation of the Group.

Taking into account (i) that the Current Issue Mandate has been fully utilised as at the Latest Practicable Date; (ii) the existing financial resources of the Group; (iii) the immediate repayment obligations of the Group; (iv) the funding requirement for the Group's normal operation prior to the 2023 AGM which will be not held until about eight months later; and (v) as discussed in the section headed "4. Other financing alternatives" below, issuance of new Shares under the general mandate can better control the completion risk and is more cost-effective and time-efficient than alternative financing alternatives and enable the Company to capture any capital raising and/or prospective investment opportunity in a timely manner, we consider that the grant of the New General Mandate would provide the Company with more financial flexibility and options to raise further capital for the operation of the Group without seeking further approval from the Shareholders, which is in the interests of the Company and the Shareholders as a whole. As advised by the Directors, the Company had no intention or any concrete plan to utilise the New General Mandate as at the Latest Practicable Date.

4. Other financing alternatives

As set out in the Letter from the Board, the Directors have considered other financing alternatives apart from equity financing such as debt financing, rights issue, open offer, issuing shares under specific mandate or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into account the then financial position, capital structure and flexibility of the Group as well as the prevailing market condition.

In respect of debt financing, the Directors are of the view that debt financing is less suitable as compared to equity financing by way of issue of new shares under general mandate given that (a) the latter does not incur any interest expenses on the Group as compared with bank financing or the issue of bonds; and (b) in light of the financial condition and liability pressure, the on-going Scheme, and that the fact that the Company is still negotiating with the local creditor banks in the PRC to renew or extend the existing bank borrowings owed by the PRC subsidiaries of the Company, it will be difficult, uncertain and time-consuming for the Company to negotiate for the issue of more bonds or obtain additional bank borrowings.

As regards to rights issue or open offer, the Directors consider that they may involve substantial time to complete as compared to equity financing by issuance of new Shares under general mandate. In particular, a rights issue or an open offer normally takes at least five to six weeks, and lengthy discussions with potential commercial underwriters may also be involved. If shareholders' approval is required, it may take over two months, which is primarily due to the time for the issuer to prepare a shareholder's circular and the notice period for the shareholders' meeting. Therefore, it would not allow the Company to satisfy its funding requirements in a timely manner if required. In our view, although both rights issue and open offer would allow the Shareholders to maintain their respective pro-rata shareholdings in the Company, the discount to market price needed to be offered would have been higher for a rights issue or open offer, as compared to a share placement, so as to attract the Shareholder to further invest in the Company.

Furthermore, as compared to issuing Shares under general mandate, issuing Shares under specific mandate when the relevant terms regarding the fundraising plan is finalised will involve extra time and cost, arising from the preparation, printing and dispatch of the relevant circular and notice of extraordinary general meeting as well as the holding and convening of special general meeting for each occasion. The Directors consider that if the Company is able to identify any suitable fund-raising opportunities with attractive terms prior to the 2023 AGM, the Board will be able to respond to the market promptly with the New General Mandate. As compared to obtaining specific mandate, the process of issuing Share under general mandate for fund raising is simpler and less lengthy which would allow the Company to avoid the uncertainties in such circumstances where approval for specific mandate may not be obtained in a timely manner.

The Directors have confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief. In this connection, the Company has also considered the feasibility of the rights issue and is in the course of negotiation with a number of the prospective underwriters for the proposed rights issue which may or may not be materialised. In the event the proposed rights issue materialised, the Company will make further announcements in this regard in due course in compliance with the Listing Rules.

In addition, the grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have flexibility and discretion in deciding the financing methods for its operation and business development. As a result, we concur with the Directors that raising funds through issue of new Shares under the New General Mandate can better control the completion risk and is more cost-effective and time-efficient.

5. Fund raising activities of the Company during the past 12 months

Set out below is the summary of equity fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date(s) of announcement	Fundraising activities	Net proceeds raised	Intended use of proceeds	Utilised proceeds up to the Latest Practicable Date	Actual use of proceeds
13 April 2022 and 11 May 2022	Subscription of new shares under general mandate	Approximately HK$2.42 million	Costs of debts restructuring and general working capital of the Group	Fully utilised	Costs of debts restructuring of approximately HK$1.20 million and general working capital of the Group of approximately HK$1.22 million, of which (i) approximately HK$0.60 million for staff costs; and (ii) approximately HK$0.62 million for legal and professional fees
5 July 2022 and 27 July 2022	Subscription of new shares under general mandate	Approximately HK$4.59 million	Costs of debts restructuring and general working capital of the Group	Approximately HK$3.63 million	Costs of debts restructuring of approximately HK$1.00 million and general working capital of the Group of approximately HK$2.63 million, of which (i) approximately HK$1.43 million for repayment of interests; (ii) approximately HK$0.60 million for staff costs; and (iii) approximately HK$0.60 million for legal and professional fees

Saved as disclosed above, the Directors confirmed that the Company had not conducted any other fund raising activities during the past twelve months immediately prior to the Latest Practicable Date.

6. Potential dilution effect to the existing public Shareholders

The issue of new Shares under the New Generate Mandate would dilute the shareholding of the existing public Shareholders. The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the New General Mandate (assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the SGM):

Shareholders	**As at the Latest Practicable Date**		**Upon full utilisation of the New General Mandate**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Existing public Shareholders	75,276,770	100.00	75,276,770	83.33
Maximum number of new Shares that can be issued under the New General Mandate	–	–	15,055,354	16.67
Total	**75,276,770**	**100.00**	**90,332,124**	**100.00**

As illustrated in the table above, assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the SGM, the shareholding of the existing public Shareholders would be diluted from 100.00% as at the Latest Practicable Date to approximately 83.33% upon full utilisation of the New General Mandate, representing a dilution effect of approximately 16.67%.

Considering that the Current Issue Mandate of 12,546,128 Shares has been fully utilised and assuming the full utilisation of the New General Mandate of 15,055,354 Shares, the aggregated dilution impact on the Shareholders taking into account the fund raising activities since the 2022 AGM shall be approximately 30.56%. Further, taking into account the Scheme, the potential dilution effect of the Company's shareholding shall be approximately 98.13%.

We consider that the potential dilution impact on the existing Shareholders to be acceptable as compared to pre-emptive fund raisings such as rights issue or open offer after taking into account that (i) the Company has an imminent need to raise additional fund to ease its current liquidity pressure as mentioned above; (ii) the potential dilution impact on the existing public Shareholders may be even greater if the Shareholders choose not to subscribe for the shares under the right issue or open offer; (iii) the new Shares generally cannot be allotted and issued at more than 20% discount to market under the New General Mandate while the subscription price under a rights issue or open offer would normally set at a greater discount to the market price; and (iv) the New General Mandate will provide the Group with more financial flexibility and options to raise further capital for the operation and fulfillment of debt obligations of the Group as the Company is able to capture fund-raising opportunities with favorable terms in a timely manner when they arise whereas there is a lack of certainty in the successful implementation of a rights issue or open offer with their longer timetable.

In conducting any share placement to be made pursuant to the New General Mandate, the Directors would have a fiduciary duty to negotiate fair terms that are in the interest of the Company and the Shareholders as a whole. In deciding whether to use the New General Mandate, the Directors would take into account, among other things, the immediate funding need of the Group, the time and cost involved, and the potential dilution of shareholding of the existing public Shareholders that may be brought by any share placement. In considering any proposed share issue, the Directors would also consider the pricing and availability of opportunities for other financing alternatives such as debt financing or internal resources, with the aim to achieve an efficient capital structure of the Company.

Based on the above and given the volatility of the capital market, we consider that the refreshment of the Current Issue Mandate is in the interest of the Company and the Shareholders as a whole as it would provide the Directors with the flexibility to capture any suitable equity fund raising opportunities that may arise from time to time in a timely manner.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the grant of the New General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

Moody Technology Holdings Limited
滿地科技股份有限公司

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

(Stock Code: 1400)

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a SGM of the Company will be held at 12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong) on Friday, 18 November 2022 at 4:00 p.m. for the following purpose of considering and, if thought fit, passing with or without amendment, the following ordinary resolution as an ordinary resolution of the Company. Capitalised terms defined in the circular of the Company dated 3 November 2022 shall have the same meanings when used in this notice unless otherwise specified.

ORDINARY RESOLUTION

1. "**THAT**:

(a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Stock Exchange, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with unissued Shares of the Company and to make or grant offers, agreements and options to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of 20% of the number of issued Shares of the Company on the date of the passing of this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or

(iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting

"**Rights Issue**" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to Shareholders on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong)."

Yours faithfully,
By order of the Board
Moody Technology Holdings Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Li Wanyuan
Acting Chairman and Executive Director

Hong Kong, 3 November 2022

Registered office:	*Principal Place of Business in Hong Kong:*
Clarendon House 2	20/F, Infinitus Plaza
Church Street	199 Des Voeux Road Central
Hamilton, HM 11	Sheung Wan
Bermuda	Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or, if he is holder of more than one share, more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.

2. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the branch share registrar and transfer office in Hong Kong of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed (i.e. Wednesday, 16 November 2022 at 4:00 p.m.) for holding the meeting (or any adjournment thereof).

3. The register of members of the Company will be closed from Tuesday, 15 November 2022 to Friday, 18 November 2022 (both days inclusive), during which period no transfer of shares in the Company will be registered, for the purpose of determining the identity of the shareholders entitled to attend and vote at the SGM. In order to qualify for attending and voting at the SGM to be held on Friday, 18 November 2022, all transfers of shares accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 14 November 2022.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.

6. If tropical cyclone warning signal no. 8 or above is hoisted or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at 12:00 noon on Friday, 18 November 2022, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

As of the date of this notice, the executive Directors are Mr. Li Wanyuan and Ms. Lin Yuxi; and the independent non-executive Directors are Mr. Chow Yun Cheung, Mr. Lin Yugang and Mr. Liu Junting.