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

If you have sold or transferred all your shares in East Buy Holding Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

EASTBUY
东方甄选

EAST BUY HOLDING LIMITED
東方甄選控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1797)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE EDUCATION BUSINESS; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

The notice convening the EGM to be held at the Company's headquarters in Beijing, Level 18, South Wing, 2 Haidian East Third Road, Haidian District, Beijing, China, on Thursday, 18 January 2024 at 10 a.m. is set out in this circular. The circular, together with the form of proxy, are published on the websites of the Hong Kong Exchanges and Clearing Limited (**www.hkexnews.hk**) and the Company (**ir.eastbuy.com**).

Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (*i.e.*, not later than 10 a.m. on Tuesday, 16 January 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish.

28 December 2023

CONTENTS

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

"**2018 Scheme**"	the share option scheme adopted by the Company on 13 July 2018 and subsequently amended on 29 September 2018, before the initial listing of Shares on the Stock Exchange; this scheme does not constitute a share scheme under Chapter 17 of the Listing Rules and the Company will no longer make new grants under this scheme
"**2019 Scheme**"	the share option scheme of the Company that took effect upon the initial listing of Shares on the Stock Exchange in 2019; this scheme does not constitute a share scheme under the revised Chapter 17 of the Listing Rules (which took effect on 1 January 2023) and the Company will no longer make new grants under this scheme
"**2023 Scheme**"	the share incentive scheme of the Company adopted on 9 March 2023; this scheme does constitute a share scheme under the revised Chapter 17 of the Listing Rules (which took effect on 1 January 2023)
"**Beijing Xuncheng**"	Beijing New Oriental Xuncheng Network Technology Co., Ltd.* 北京新東方迅程網絡科技有限公司, a company established under PRC law on 11 March 2005 and a 100% consolidated and controlled subsidiary of the Company, a member of the Group, and acting as a seller under the Disposal Agreement
"**Board**"	the board of Directors
"**China**" or "**PRC**"	The People's Republic of China, for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
"**Company**"	East Buy Holding Limited 東方甄選控股有限公司, a company incorporated in the Cayman Islands as an exempted company with limited liability on 7 February 2018, the shares of which are listed on the Main Board of the Stock Exchange (SEHK: 1797)
"**connected person(s)**"	has the meaning ascribed to it by the Listing Rules

"**Dexin Dongfang**"	Beijing Dexin Dongfang Network Technology Co., Ltd.* 北京德信東方網絡科技公司, a company established under PRC law on 21 March 2018 and a wholly-owned subsidiary of the Company, a member of the Group, and acting as a seller under the Disposal Agreement
"**Director(s)**"	the director(s) of the Company
"**Disposal**"	the proposed disposal of the Education Business from the Group to New Oriental Group in accordance with the Disposal Agreement
"**Disposal Agreement**"	the agreement entered into among the Company, Beijing Xuncheng, Dexin Dongfang, Xuncheng HK, New Oriental China and Elite Concept setting out the terms and conditions of the Disposal
"**Disposal Announcement**"	the announcement of the Company dated 21 November 2023 in relation to the Disposal and published on the websites of the Stock Exchange and the Company
"**Education Business**"	the target of the Disposal, comprising (a) the entire equity interest of Dongfang Youbo (HK) Education Limited (東方優播(香港)教育有限公司), a company incorporated in Hong Kong on 13 August 2020 ("**Youbo HK**"); (b) the entire equity interest of Beijing Kuxue Huisi Network Technology Co., Ltd.* 北京酷學慧思網絡科技有限公司, a company established under PRC law on 1 February 2013 ("**Kuxue Huisi**"); (c) the entire equity interest of Xi'an Ruiying Huishi Network Technology Co., Ltd.* 西安睿盈慧師網絡科技有限公司, a company established under PRC law on 3 April 2020 ("**Xi'an Ruiying**"); and (d) associated assets, through which the Group operates its "college education" and "institutional customers" business segments; with the entities in (a) to (c) herein being the "**Target Entities**"
"**EGM**"	the extraordinary general meeting to be convened by the Company for the purpose of considering and approving the Disposal Agreement (and the Disposal)

"**Elite Concept**"	Elite Concept Holdings Limited 晉盟控股有限公司, a company incorporated in Hong Kong on 3 December 2007 and a subsidiary of New Oriental, a member of New Oriental Group, and acting as a purchaser under the Disposal Agreement
"**Group**"	the Company and its subsidiaries (including consolidated affiliated entities)
"**Hong Kong**"	the Hong Kong Special Administrative Region of the People's Republic of China
"**Independent Board Committee**"	the independent committee of the Board comprising all independent non-executive Directors (namely, Mr. Lin Zheying, Mr. Tong Sui Bau, and Mr. Kwong Wai Sun Wilson), established by the Company to advise the Independent Shareholders in respect of the Disposal
"**Independent Financial Adviser**" or "**Gram Capital**"	Gram Capital Limited 嘉林資本有限公司, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under SFO, being appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal
"**Independent Valuer**"	Beijing PG Advisory Co., Ltd. 樸谷諮詢(北京)有限公司, the independent valuer engaged by the Company to prepare the valuation report set out in Appendix II to this circular
"**Latest Practicable Date**"	19 December 2023
"**Listing Rules**"	the Rules Governing the Listing of Securities on the Stock Exchange
"**Mr. Yu**"	Mr. Yu Minhong, a Director and Chairman of the Board, the Chief Executive Officer of the Company, and a director and chairman of the board of New Oriental

"**New Oriental**"	New Oriental Education & Technology Group Inc. (新東方教育科技(集團)有限公司*), a company incorporated in the Cayman Islands as an exempted company with limited liability on 16 March 2006, the shares of which are secondary listed on the Main Board of the Stock Exchange under Chapter 19C of the Listing Rules (SEHK: 9901) and the American depositary receipts are listed on the New York Stock Exchange (NYSE: EDU)
"**New Oriental China**"	New Oriental Education & Technology Group Co., Ltd.* 新東方教育科技集團有限公司, a company established under PRC law on 2 August 2001 and a subsidiary of New Oriental, a member of New Oriental Group, and acting as the purchaser under the Disposal Agreement
"**New Oriental Group**"	New Oriental and its subsidiaries, but excluding the Group
"**SFO**"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"**Share**"	ordinary share of the Company with par value of US$0.00002 each
"**Shareholder(s)**"	holder(s) of shares in the Company; and "**Independent Shareholders**" are all Shareholders other than any Shareholder who has a material interest in the Disposal, and would be required under the Listing Rules to abstain from voting on the resolutions approving the Disposal; for the avoidance of doubt, Independent Shareholders does not include New Oriental or Tigerstep
"**Share Schemes**"	the 2018 Scheme, 2019 Scheme and 2023 Scheme
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited

"**Tigerstep**"	Tigerstep Developments Limited, a company incorporated under the laws of the British Virgin Islands, and a connected person of the Company
"**Wider New Oriental Group**"	the Group and New Oriental Group
"**Xuncheng HK**"	New Oriental Xuncheng Technology (HK) Limited 新東方迅程科技(香港)有限公司, a company incorporated in Hong Kong on 2 March 2018 and a wholly-owned subsidiary of the Company, a member of the Group, and acting as a seller under the Disposal Agreement

* *for identification purposes only.*

东 方 甄 选

EAST BUY HOLDING LIMITED
東方甄選控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1797)

Executive Directors:
Mr. Yu Minhong
(Chairman of the Board;
Chief Executive Officer)
Mr. Yin Qiang *(Chief Financial Officer)*

Non-executive Director:
Ms. Sun Chang

Independent non-executive Directors:
Mr. Lin Zheying
Mr. Tong Sui Bau
Mr. Kwong Wai Sun Wilson

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Head Office:
Level 18, South Wing
2 Haidian East Third Road
Haidian District
Beijing, China

Principal Place of Business in Hong Kong:
Level 40, Dah Sing
Financial Centre
248 Queen's Road East
Wan Chai, Hong Kong

28 December 2023

To Shareholders

Dear Sirs/Mesdames,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE EDUCATION BUSINESS;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Disposal Announcement. The purpose of this circular is to provide you with further information in respect of the Disposal and the notice of EGM.

2. THE DISPOSAL

Reference is made to the Disposal Announcement, whereby the Company announced that, the Board approved the Disposal, being the proposed disposal of the Education Business to our parent company, New Oriental.

The Disposal is part of a business re-delineation by the Wider New Oriental Group to more clearly separate its business lines and better align its business segments with the environment in which it operates. At present, the Group and New Oriental Group operate in overlapping industries, with their business delineated according to the medium through which their products/services are delivered. After the Disposal, the Group and New Oriental Group will operate in separate and distinct industries, with the Group no longer operating in the online education space, and instead, becoming a pure-play private label products and livestreaming business operator.

Disposal Agreement

Below is a summary of the material terms of the Disposal Agreement governing the Disposal of the Education Business from the Group to New Oriental Group:

Date: 21 November 2023

Parties:

(a) Company

(b) Beijing Xuncheng

(c) Dexin Dongfang

(d) Xuncheng HK

(e) New Oriental China

(f) Elite Concept

Target: The Education Business currently operated by the Group, including:

(a) the entire equity interests of Youbo HK, currently a wholly-owned subsidiary of the Company with a registered capital of HK$1, which is principally engaged in online education;

(b) the entire equity interests of Kuxue Huisi, currently a wholly-owned subsidiary of Beijing Xuncheng with a registered capital of RMB10 million, which is principally engaged in online education;

(c) the entire equity interests of Xi'an Ruiying, currently a wholly-owned subsidiary of Xuncheng HK with a registered capital of RMB250 million, which is principally engaged in education advisory services; and

(d) associated intellectual property assets, business contractual rights and obligations, accounts receivables and payables, inventory, other related assets, and employment resources set out in the Disposal Agreement that relate to the Education Business and ancillary to the Group's "college education" and "institutional customers" business segments.

Following the Disposal, the Target Entities will be deconsolidated from the Group.

Consideration: An aggregate of RMB1.5 billion, payable in cash.

Basis of consideration: This consideration was agreed by the parties after arm's length negotiations, with reference to an independent valuation. The independent valuation adopted the market approach method, assessed as of 30 September 2023, and took into account the following key factors:

- the enterprise value-to-sales and enterprise value of comparable Hong Kong and U.S. listed education companies that operate online extracurricular education services (selected based on, among others, the industry and financial positions of the Education Business, similarities in business model, business stage, and operations); and

- the assumption that historical revenue figures generated by the Education Business between the period of 1 October 2022 and 30 September 2023 would be maintainable.

The Board determined that the market approach was the most appropriate valuation method, given that there were a number of comparable listed companies available, which was able to provide an appropriate basis for the valuation, while the other valuation methods would produce less reliable results given inherent challenges in projecting the profitability of the Education Business, particularly within a fluctuating regulatory and economic environment, and failures to take into account other important attributing values. For more information, see the full text of the valuation report in Appendix II to this circular.

Taking into account the above, the Board considered the independent valuation to be a fair and reasonable basis to calculate the consideration amount, having reviewed this against, among others, the historical operational and financial performance of the Education Business (including key financial results generated from the Target Entities), the general business prospects of the Education Business as compared with the investment amount already contributed and would likely need to be further injected into the Education Business to realise and maintain these business prospects, and the factors set out in "Reasons for and Benefits of the Disposal" in this circular.

Settlement: The consideration will be settled within 10 business days of the closing date, being 1 March 2024 or a date as otherwise agreed by all parties to the agreement.

Conditions: The closing conditions include:

- the representations and warranties being true, accurate and complete on the date of the Disposal Agreement and equity delivery date;
- obtaining all relevant corporate approvals, constitutional amendments, and necessary consents and authorisations to effect the equity transfer of the Target Entities; and
- as of the equity delivery date, there being no actual or reasonably foreseeable occurrence of a material adverse impact on the Target Entities (including its financials and business operations).

Upon completion of the Disposal, the Education Business will no longer form part of the Group, the Group will no longer operate an online education business, and there will no longer be any connected transactions subsisting in respect of the Education Business between the Group and New Oriental Group. Accordingly, all agreements and transactions relating to the Group's operated online education business will be either terminated or transferred to (or re-entered into by) New Oriental Group, as part and parcel with the transfer of the Education Business.

Information about the Education Business

The Education Business includes the Target Entities, through which the Group operates its education and education-related business operations, and comprise the "college education" and "institutional customers" business segments, which are detailed in the Company's historical annual and interim reports.

The table below sets out the key financial information attributable to the Education Business for the two years ended 31 May 2023:

RMB'000	**2022**	**2023**
Net profit before taxation	1,299	117,556
Net profit after taxation	1,299	120,991

The book value (being the net liabilities value) of the Education Business as at 30 September 2023 was approximately RMB153.1 million.

For further information about the Education Business, please refer to the annual and interim reports of our Company, which are available on the websites of the Hong Kong Exchanges and Clearing Limited (**www.hkexnews.hk**) and our Company (**ir.eastbuy.com**).

Reasons for and Benefits of the Disposal

The Disposal is part of an internal reorganisation of business lines by New Oriental of its subsidiaries (which includes the Group), driven by:

(a) changes in China's regulatory environment around after-school tutorial businesses, which resulted in the Group ceasing its preschool and Kindergarten to Year-12 online business segments;

(b) changes in learning and lifestyle habits of China's students and the customer base of the Wider New Oriental Group as a result of COVID-19, which resulted in a blurring of lines between online and offline education and a transition towards offline-merge-online learning and lifestyle habits; and

(c) the Company's development of its private label products and livestreaming business, which has gained significant traction among users in China (please refer to the Company's annual report for the financial year ended 31 May 2023 for more details).

This change in environment has caused the Wider New Oriental Group to reconsider the business delineation between New Oriental Group and the Group. The Disposal is part of Wider New Oriental Group's re-delineation of its business, following which, each group would be able to better focus on one specific and distinct industry (namely, New Oriental Group to focus on the education industry, and the Group to focus on private label products and livestreaming industry).

This business re-delineation will benefit the Company, New Oriental Group and respective shareholders as a whole, for the primary reasons that:

(a) the existing business delineation (namely, New Oriental Group operating offline education and the Group operating online education) makes less sense in a new social environment where students (including college and institutional students) increasingly prefer, and sometimes expect, education to be offline-merge-online, with the line between online and offline platforms becoming increasingly blurred;

(b) the business re-delineation enables each group to focus on its own separate and distinct industry. For the Company, this would enable the Group's management to enhance its focus on, and allocate its resources towards, one specific industry (rather than multiple industries), which in turn, would mean more concentrated resource allocation that would lead to greater financial returns for Shareholders. This is because: (i) the Education Business is now in a more mature and stable business phase, with limited market opportunities as an online-only service (as opposed to offline-merge-online services under New Oriental Group), and as a result, the Company is seeing a diminishing rate of financial returns to the Group relative to its remaining business; whilst (ii) concentrating the Group's resources into developing and growing its remaining business, which has already seen impressive and rapid growth in financial year 2023 and which still has significant opportunities in the market to develop, would be a better use of the Group's resources and translate to the Group focusing its resources and attention towards the business with the most potential and which, as at the date of this announcement, is already the most valuable to the Group in terms of financial returns;

(c) this clearer delineation of business lines within the Wider New Oriental Group would enable the management of each of New Oriental Group and the Group to assess more clearly the business performance and market position of their respective businesses in that industry;

(d) the Disposal would position the Group as a pure-play private label products and livestreaming business operator, which in turn, would enable investors to more easily value the Group's business and its market position. The business re-delineation would also enable investors to apply different valuation methodologies to each of New Oriental Group and the Group, based on their market positions and performance within their distinct industries; and

(e) the business re-delineation would provide Shareholders and investors with greater flexibility to decide in which industry (or industries) they would like to invest. In particular, at present, Shareholders and investors are exposed to regulatory and market conditions associated with both the education and private label products and livestreaming industries in China, whereas after the Disposal, Shareholders and investors will have the choice whether to continue investing in both industries or to only invest in one of the two industries.

Based on the above, the Board considers the Disposal to be in the interests of the Company and Shareholders as a whole.

Additional information for Shareholders

Director confirmation and material interests in the Disposal

The Directors (other than (i) the independent non-executive Directors, whose opinions are set out in "Letter from the Independent Board Committee" in this circular below; and (ii) Mr. Yu (a director and chairman of the board of both the Company and New Oriental, and the Chief Executive Officer of the Company), who has abstained from opining and voting on the Disposal) consider the terms of the Disposal (and the Disposal Agreement) to be fair and reasonable, and the Disposal (and the Disposal Agreement) to be on normal commercial terms or better for the Company, and in the interests of the Company and its Shareholders as a whole.

Aside from Mr. Yu, who is a director of both the Company and New Oriental and who has accordingly elected to abstain from participating and voting at the Board meeting held to consider the Disposal, none of the other Directors have a material interest in the Disposal.

3. INFORMATION ABOUT THE PARTIES TO THE DISPOSAL

The Group: The Group operates in the internet technology sector. As at the date of this circular, the Group operates private label products and livestreaming e-commerce businesses (notably, through the livestreaming channel "East Buy (東方甄選)" across various platforms, and the Education Business (namely, online college education and online education for institutional customers). After the Disposal, the Group will be a pure-play private label products and livestreaming business operator, and the Education Business (including the Target Entities) will be deconsolidated from the Group.

Beijing Xuncheng is an indirect 100% consolidated subsidiary of the Company controlled through contractual arrangements. Beijing Xuncheng is principally engaged in online education and private label products and livestreaming business.

Dexin Dongfang is an indirect wholly-owned subsidiary of the Company and 100% directly controls Beijing Xuncheng through contractual arrangements. Dexin Dongfang is principally engaged in providing software and technology services.

Xuncheng HK is a direct wholly-owned subsidiary of the Company and 100% directly owns Dexin Dongfang. Xuncheng HK is primarily an investment holding company.

New Oriental Group: New Oriental is a comprehensive educational services provider that operates a network of schools, learning centres and bookstores across China, and its American depository shares are listed on the New York Stock Exchange (NYSE: EDU) and its shares are listed on the Stock Exchange (SEHK: 9901). New Oriental is the parent and controlling shareholder of the Group. To the best knowledge of the Company, New Oriental has one substantial shareholder, being Tigerstep, which held approximately 11.8% of New Oriental's issued share capital as of the date of New Oriental's Form 20-F (published on the website of the U.S. Securities Exchange Commission on 25 September 2023).

New Oriental China is a 100% consolidated subsidiary of New Oriental controlled through contractual arrangements. New Oriental China is principally engaged in, among other things, offline education and educational consulting.

Elite Concept is a 100% subsidiary of New Oriental and is principally engaged in educational consulting.

4. USE OF PROCEEDS

Estimated proceeds

The Company currently expects to record a gain on the Disposal of approximately RMB1,653.1 million. This amount is estimated based on the total consideration of the Disposal less the net liabilities of approximately RMB153.1 million of the Education Business as of 30 September 2023. This amount is unaudited and subject to final confirmation.

Use of proceeds

The Company intends to apply the net proceeds of the Disposal in the matter set out below:

Approximate % of proceeds from source	Proposed use	Expected timing for use of proceeds
10%	Marketing and sales	5 years from completion of the Disposal
10%	Talent onboarding and retention	
20%	Research and development	

Approximate % of proceeds from source	Proposed use	Expected timing for use of proceeds
40%	Other general growing and operating private label products and livestreaming business	
20%	General working capital	

Company's plan going forward

After the Disposal, and as of the date of this announcement, the Company has no further plans to operate an online education business, and instead, will concentrate its efforts towards developing and growing its private label products and livestreaming e-commerce business. The Group has already positioned itself as a livestreaming platform, focused on selecting and offering premium products to consumers in a culturally educational and entertaining way, through cutting-edge technology (which it has developed over the years, since the Group's establishment, and will continue to refine and improve this going forward). With the proceeds from the Disposal, the Company plans to grow its remaining business in the following key ways:

(a) The Group plans to expand its catalogue of premium products, particularly its private label products, by strengthening its relationship with existing suppliers and seeking out more suppliers and farming businesses, to continue offering "the best" quality premium products to consumers. Where appropriate, the Group may expand into broader product categories that align with its aim of communicating Chinese culture, history and wellbeing to its viewers and connecting local producers/suppliers with a broader audience base. This also means continuing to build its network of audiences and community partnerships, through local and broader online and offline outreach campaigns, to elevate the presence of "East Buy (東方甄選)" as the premium "go to" brand for quality products, knowledge and culture, and wellbeing across China.

(b) Continuing to foster, grow and retain a team of talented livestreamers to deliver motivational and educational wisdom in an entertaining manner to viewers about these products, their sources, and to distil "simple to digest" information about Chinese culture, history, wellbeing and China's agricultural industry. The Group will provide training and methods to incentivise livestreamers to enhance their audience and ability to deliver livestreaming content to a wider audience.

(c) The Group will research and develop more advanced technologies to underpin its livestreaming channels, whilst at the same time, improving its existing technology partnerships to enhance the overview experience of livestreamers, viewers and consumers (including improving its livestreaming audiovisual quality and scaling its technology to cater for a greater number of livestreamers and audiences).

5. LISTING RULES IMPLICATIONS

The Disposal concerns New Oriental, a substantial shareholder of the Company. Accordingly, the Disposal constitutes a connected transaction under Chapter 14A of the Listing Rules.

As the highest of the applicable size test ratios (calculated in accordance with Chapter 14 of the Listing Rules) falls between 5% and 25%, the Disposal constitutes a discloseable and connected transaction, subject to the announcement, circular and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

6. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Lin Zheying, Mr. Tong Sui Bau, and Mr. Kwong Wai Sun Wilson, has been established to consider, and to advise the Independent Shareholders, among other things, whether the Disposal is in the ordinary and usual course of business of the Group, fair and reasonable, on normal commercial terms (or better for the Company) and in the interests of the Company and its Shareholders as a whole. The opinion and recommendation from the Independent Board Committee is set out in "Letter from the Independent Board Committee" in this circular below.

7. INDEPENDENT FINANCIAL ADVISER

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the terms of the Disposal. The opinion and recommendation from Gram Capital are set out in "Letter from Gram Capital" in this circular below.

8. EGM

A notice convening the EGM to be held at the Company's headquarters in Beijing, Level 18, South Wing, 2 Haidian East Third Road, Haidian District, Beijing, China on Thursday, 18 January 2024 at 10 a.m., is set out in "Notice of Extraordinary General Meeting" in this circular below. The EGM will be convened for the purpose of considering and, if thought fit, approving the Disposal Agreement and the transactions contemplated thereunder.

Voting at the general meeting will be taken by poll (other than a resolution on a procedural or administrative matter, which may be voted on by a show of hands if allowed by the Chairperson of the EGM). After the EGM, the Company will publish an announcement disclosing the poll results in accordance with the Listing Rules.

As at the Latest Practicable Date, New Oriental holds 54.8% (557,160,500 Shares) of the issued shares of the Company, and Tigerstep, a controlled corporation of Mr. Yu (a director and chairman of the board of both the Company and New Oriental), holds 2.7% (27,182,832 Shares) of the issued shares of the Company. New Oriental and Tigerstep will abstain from voting on the resolutions on this matter. To the best knowledge, information, and belief of the Directors, after making all reasonable enquiries, no other Shareholder will be required to abstain from voting on these resolutions at the EGM.

A proxy form for the EGM is enclosed with this circular, and also published on the websites of the Hong Kong Exchanges and Clearing Limited (**www.hkexnews.hk**) and the Company (**ir.eastbuy.com**). Whether or not you are able to attend the EGM, please complete and sign the proxy form in accordance with the instructions therein and return the form to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (*i.e.*, no later than 10 a.m. on Tuesday, 16 January 2024) or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholder from attending and voting in person at the EGM or any adjourned meeting should they so wish.

For determining the entitlement to attend and vote at the EGM, the Company's register of members will be closed on on 15 January 2024 to 18 January 2024, during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares should ensure that all transfer documents (accompanied by the relevant share certificate(s)) must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 12 January 2024.

9. RECOMMENDATIONS

The Board (including all the independent non-executive Directors, but excluding Mr. Yu, who has abstained from opining and voting on the Disposal) is of the opinion that the terms of the Disposal Agreement (and the Disposal) are fair and reasonable, and that the Disposal is in the best interests of the Company and Shareholders as a whole, and would therefore recommend Shareholders to vote **in favour** of the resolution to be proposed at the EGM.

Shareholders and potential investors should note that the Disposal is subject to conditions to be fulfilled and that the Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Yours faithfully,
For and on behalf of the Board
East Buy Holding Limited
Mr. YU Minhong
Chairman of the Board

EASTBUY
东 方 甄 选

EAST BUY HOLDING LIMITED
東方甄選控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1797)

28 December 2023

To the Independent Shareholders

Dear Sirs/Mesdames,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE EDUCATION BUSINESS

We refer to the circular of East Buy Holding Limited ("**this circular**") of which this letter forms part. Capitalised terms in this letter shall take the same meanings as those defined in this circular.

We, being the independent non-executive Directors, have been appointed as the Independent Board Committee to advise the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder. Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in this regard.

We wish to draw your attention to (a) the contents of the letter from the Board set out in "Letter from the Board" in this circular above; and (b) the letter from Gram Capital set out in "Letter from Gram Capital" in this circular below containing advice from Gram Capital in respect of the Disposal.

Although the Disposal is not in the ordinary and usual course of business of the Group, as it is a one-off disposal of a portion of the Group's business, after taking into account the factors and reasons considered by Gram Capital and its conclusion and advice, we concur with Gram Capital's views and consider that the terms of the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms (or better for the Company), and in the interests of the Company and Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote **in favour** of the resolutions to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Lin Zheying	**Mr. Tong Sui Bau**	**Mr. Kwong Wai Sun Wilson**

Independent Non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

28 December 2023

To: The independent board committee and the independent shareholders of East Buy Holding Limited

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE EDUCATION BUSINESS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 28 December 2023 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 21 November 2023, the Company, Beijing Xuncheng (a 100% consolidated and controlled subsidiary of the Company), Dexin Dongfang (a wholly-owned subsidiary of the Company), Xuncheng HK (a wholly-owned subsidiary of the Company), New Oriental China (a subsidiary of New Oriental) and Elite Concept (a subsidiary of New Oriental) entered into the Disposal Agreement, pursuant to which the Group agreed to sell; and New Oriental China and Elite Concept agreed to purchase the Education Business currently operated by the Group, including (i) the Target Entities; and (ii) associated assets, through which the Group operates its "college education" and "institutional customers" business segments, at the aggregated consideration of RMB1.5 billion, payable in cash (i.e. the Disposal).

With reference to the Board Letter, the Disposal constitutes a discloseable and connected transaction of the Company and is subject to, among others, announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Lin Zheying, Mr. Tong Sui Bau and Mr. Kwong Wai Sun Wilson (being all independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Disposal are on normal commercial terms and are fair and reasonable; (ii) whether the Disposal is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Disposal at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser in relation to a connected transaction, details of which are set out in the Company's announcement dated 24 November 2023. Save for the aforesaid engagement, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagement, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only an independent financial adviser engagement and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Disposal. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Education Business and we have not been furnished with any such evaluation or appraisal, save as and except for the valuation report on the market value of the 100% equity interest of the Education Business (the "**Valuation**") prepared by the Independent Valuer as set out in Appendix II to the Circular (the "**Valuation Report**"). Since we are not experts in the valuation of assets or business, we have relied solely upon the Valuation as at the 30 September 2023 (the "**Valuation Date**").

The 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 the 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 therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Target Entities, New Oriental China, Elite Concept or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources and such sources are reliable.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Group operates private label products and livestreaming e-commerce business (notably, through the livestreaming channel "East Buy (東方甄選)" across various platforms, and the Education Business (namely, online college education and online education for institutional customers).

Set out below is the audited consolidated financial information of the Group for the two years ended 31 May 2023 as extracted from the Company's annual report for the year ended 31 May 2023 (the "**2023 Annual Report**"):

	For the year ended 31 May 2023 ("FY2023") *RMB'000*	**For the year ended 31 May 2022 ("FY2022")** *RMB'000*	**Year-on-year change** *%*
Revenue from continuing operations	4,509,849	600,526	650.98
– Private label products and livestreaming e-commerce	*3,880,909*	*24,580*	*15,688.89*
– College education	*590,776*	*517,533*	*14.15*
– Institutional customers	*38,164*	*58,413*	*(34.67)*
Gross profit from continuing operations	1,954,769	390,852	400.13
Profit/(loss) for the year	971,286	(533,964)	N/A

As illustrated in the above table, the Group's revenue and gross profit from continuing operations for FY2023 were approximately RMB4,510 million and RMB1,955 million respectively, representing increases of approximately 650.98% and 400.13% respectively as compared to those for FY2022. As noted from the 2023 Annual Report, the Group's revenue from private label products and livestreaming e-commerce business accounted for approximately 86.05% of the Group's revenue for FY2023; while the Group's gross profit from private label products and livestreaming e-commerce business account for approximately 75.88% of the Group's gross profit for FY2023.

With reference to the 2023 Annual Report, the substantial increase in the Group's revenue and gross profit from continuing operations for FY2023 were largely attributable to the Group's development of its private label products and livestreaming e-commerce business and, as a result, the Group turnaround from loss-making for FY2022 to profit-making for FY2023.

With reference to the 2023 Annual Report, the Group's total assets and net assets were approximately RMB3,853 million and RMB2,804 million as at 31 May 2023 respectively.

With reference to the 2023 Annual Report, the gross merchandise volume (the "**GMV**") of the Group's private label products and livestreaming e-commerce business was approximately RMB10 billion for FY2023; the number of followers of the Group's private label products and livestreaming e-commerce business on Douyin was approximately 41.8 million for FY2023; and the number of paid orders of the Group's private label products and livestreaming e-commerce business on Douyin was approximately 136.3 million for FY2023.

Information on the Education Business

The Education Business comprises (i) Target Entities; and (ii) associated assets, through which the Group operates its "college education" and "institutional customers" business segments.

With reference to the Board Letter, Target Entities include the following:

- Beijing Xuncheng, currently an indirect 100% consolidated subsidiary of the Company controlled through contractual arrangements. Beijing Xuncheng is principally engaged in online education and private label products and livestreaming business.

- Dexin Dongfang, currently an indirect wholly-owned subsidiary of the Company and 100% directly controls Beijing Xuncheng through contractual arrangements. Dexin Dongfang is principally engaged in providing software and technology services.

- Xuncheng HK, currently a direct wholly-owned subsidiary of the Company and 100% directly owns Dexin Dongfang. Xuncheng HK is primarily an investment holding company.

Set out below are the key financial information attributable to the Education Business for the two years ended 31 May 2023, as extracted from the Board Letter:

	For the year ended 31 May 2023	**For the year ended 31 May 2022**
	RMB'000	*RMB'000*
Net profit before taxation	117,556	1,299
Net profit after taxation	120,991	1,299

With reference to the Board Letter, the book value, being the net liabilities value, of the Education Business as at 30 September 2023 is approximately RMB153.1 million.

Information on New Oriental Group

With reference to the Board Letter:

- New Oriental is a comprehensive educational services provider that operates a network of schools, learning centres and bookstores across China, and its American depository shares are listed on the New York Stock Exchange (NYSE: EDU) and its shares are listed on the Stock Exchange (SEHK: 9901).

- New Oriental China is a 100% consolidated subsidiary of New Oriental controlled through contractual arrangements. New Oriental China is principally engaged in, among other things, offline education and educational consulting.

- Elite Concept is a 100% subsidiary of New Oriental and is principally engaged in educational consulting.

As at the Latest Practicable Date, New Oriental holds 54.8% of the issued shares of the Company and is a controlling shareholder of the Company.

Reasons for and benefits of the Disposal

With reference to the Board Letter, the Disposal is part of an internal reorganisation of business lines by New Oriental of its subsidiaries (which includes the Group), driven by (a) changes in China's regulatory environment around after-school tutorial businesses; (b) changes in learning and lifestyle habits of China's students and the customer base of the Wider New Oriental Group as a result of COVID-19, which resulted in a blurring of lines between online and offline education and a transition towards offline-merge-online learning and lifestyle habits; and (c) the Company's development of its private label products and livestreaming business, which has gained significant traction among users in China. This change in environment has caused the Wider New Oriental Group to reconsider the business delineation between New Oriental Group and the Group. The Disposal is part of Wider New Oriental Group's re-delineation of its business, following which, each group would be able to better focus on one specific and distinct industry (namely, New Oriental Group to focus on the education industry, and the Group to focus on private label products and livestreaming industry).

The business re-delineation will benefit the Company, New Oriental Group and respective shareholders as a whole for various reasons, details of which are set out under the section headed "Reasons for and Benefits of the Disposal" of the Board Letter.

Following the completion of the Disposal, the Group will cease to operate the Education Business and will primarily be engaged in private label products and livestreaming e-commerce business. As illustrated in the section headed "Information on the Group" above, the Group's financial performance improved significantly as a result of the commencement of the Group's private label products and livestreaming e-commerce business.

Overview of livestreaming e-commerce industry in the PRC

We noted from an article "How China's emerging digital channels are transforming engagement for the digitally native consumer" published by Ernst & Young, China on 21 June 2021 that COVID-19 pandemic played a significant role in the rise of livestreaming e-commerce in the PRC. During the COVID-19 pandemic, with physical stores and traditional shopping experience limited or restricted, consumers turned to online platforms for their shopping needs; livestreaming e-commerce provided a unique and engaging way for consumer to discover and purchase products while maintaining social distancing measures.

Number of internet users for the use of livestreaming e-commerce in the PRC

Set out below are statistics on the number of internet users for the use of livestreaming e-commerce in the PRC for the four years ended 31 December 2022 and up to 30 June 2023, being the latest available four full years and up to the latest period statistics published by the China Internet Network Information Center (www.cnnic.cn):

	As at March 2020 *(Note)*	**As at December 2020**	**As at December 2021**	**As at December 2022**	**As at June 2023**
Number of internet users for the use of livestreaming e-commerce in the PRC *(approximately in million)*	265	388	464	515	526

Note: Relevant statistics for December 2019 was not available and the statistics for March 2020 were published instead.

As shown in the above table, the number of internet users for the use of livestreaming in the PRC recorded year-on-year increase for each of the year 2020, 2021 and 2022. The number of internet users for the use of livestreaming e-commerce in the PRC increased from approximately 265 million users as at March 2020 to approximately 526 million users as at June 2023, representing a compound annual growth rate of approximately 23.5%.

Transaction value of livestreaming e-commerce in the PRC

Set out below are the gross merchandise value of livestreaming e-commerce in the PRC and transaction value of livestreaming e-commerce on Douyin (a popular Chinese short video and livestreaming platform; and the Group's GMV from Douyin represented a large proportion of the Group's GMV) in the PRC for the five years ended 31 December 2022, being the latest available five years statistics published by the Statista (according to the website of Statista, Statista, established in 2007, is a global data and business intelligence platform with an extensive collection of statistics, reports, and insight on over 80,000 topics from 22,500 sources in 170 industries):

	2018	2019	2020	2021	2022
Gross merchandise value of livestreaming e-commerce in the PRC *(approximately RMB billion)*	135	444	1,285	2,362	3,500
Year-on-year growth		*228.9%*	*189.4%*	*83.8%*	*48.2%*
Transaction value of livestream commerce on Douyin in the PRC *(approximately RMB billion)*	10	40	500	800	1,500
Year-on-year growth		*300%*	*1,150%*	*60%*	*87.5%*

As shown in the above table, both the gross merchandise value of livestreaming e-commerce in the PRC and the transaction value of livestreaming commerce on Douyin in the PRC recorded exponential growth during the five years ended 31 December 2022. The gross merchandise value of livestreaming e-commerce in the PRC increased from approximately RMB135 billion for the year 2018 to approximately RMB3,500 billion for the year 2022, representing a compound annual growth rate of approximately 125.6%; while the transaction value of livestream commerce on Douyin in the PRC increased from approximately RMB10 billion for the year 2018 to approximately RMB1,500 billion for the year 2022, representing a compound annual growth rate of approximately 250.0%.

Livestreaming e-commerce of agricultural products

According to report "The 52nd Statistical Report on China's Internet Development" published by the China Internet Network Information Center on 28 August 2023, for the first half of 2023, the national rural online retail sales reached RMB1,120 billion, representing a year-on-year increase of 12.5%; and the national online retail sales of agricultural products was approximately RMB270 billion, representing a year-on-year increase of 13.1%, reflecting the good momentum of rural e-commerce. The aforesaid increases were driven by among other things:

(i) the gradual improvement of delivery network in counties and rural areas in the PRC, which enhanced the circulation of e-commerce;

(ii) the increasing number of agricultural e-commerce merchants in the PRC, the number of agricultural e-commerce merchants in the PRC reached approximately 17.3 million, including 5.73 million of livestreaming e-commerce merchants which accounted for approximately 33.1% of the number of agricultural e-commerce merchants in the PRC; and

(iii) the direct procurement model adopted by e-commerce merchants, which enable them to control the quality of agricultural products from the source. Many e-commerce platforms have proactively established bases and entered into contracts at the source of agricultural products, empowering the agricultural supply chain through methods such as direct sourcing from the origin and leveraging digital management and operational practices.

Having considered the statistics reflecting the outlook of the livestreaming e-commerce industry in the PRC as set out above, we are of the view that the outlook of the livestreaming e-commerce industry in the PRC is positive.

Use of proceeds

With reference to the Board Letter, the Company intends to apply the net proceeds of the Disposal as to (i) 80% for the Group's private label products and livestreaming business; and (ii) 20% for general working capital.

With reference to the 2023 Annual Report, since 2021, the Group expanded its businesses in livestreaming e-commerce and established its platform "East Buy", which has become a well-known platform for selling top-quality and value for money agricultural and other products. Not only does the platform offer an alternative channel for farmers and local companies to sell their high-quality agricultural and other products to a broader customer base, it also provides consumers with a platform which offers a wide range of high-quality products with transparency in pricing. Leveraging the Group's deep understanding of customers' needs, the Group select high-quality agricultural and other products for its customers through integrated supply chain management and diversified cooperation with various third parties. The Group creates value for consumers by providing various private label products under the East Buy brand, which are designed to be healthy and high-quality with good value for money. Through direct cooperation with producers and local enterprises, the Group aspires to promote high-quality product that have traditionally lacked sales channels and to improve the operational efficiency of the industry supply chain, so as to accelerate rural revitalisation and provide more valuable contributions in the long run.

As mentioned above, the Disposal is part of Wider New Oriental Group's re-delineation of its business, following which, the Group is to focus on private label products and livestreaming industry.

In addition, as stated in the 2023 Annual Report, the Company's strategic positioning is clear and concise. In the future, the Group will continue to strive to become a livestreaming platform that focuses on carefully selecting premium products for its customers, an outstanding product and technology company that continually provides agricultural products as its core product under the Group's private label, "East Buy", and a cultural communication company that provides customers with pleasant experience. The Group firmly believe in its mission of promoting public welfare and creating value for society.

Based on the above, we are of the view that the proposed use of proceeds from the Disposal is in line with the Group's development strategy.

In light of the above, we consider that although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Disposal

Set out below is the principal terms of the Disposal Agreement, details of which are set out under the section headed "2. THE DISPOSAL" of the Board Letter.

Date

21 November 2023

Parties

(a) Company

(b) Beijing Xuncheng

(c) Dexin Dongfang

(d) Xuncheng HK

(e) New Oriental China

(f) Elite Concept

Target

The Education Business currently operated by the Group, including:

(a) the entire equity interests of Youbo HK, currently a wholly-owned subsidiary of the Company, with a registered capital of HK$1, which is principally engaged in online education;

(b) the entire equity interests of Kuxue Huisi, currently a wholly-owned subsidiary of Beijing Xuncheng with a registered capital of RMB10 million, which is principally engaged in online education;

(c) the entire equity interests of Xi'an Ruiying, currently a wholly-owned subsidiary of Xuncheng HK with a registered capital of RMB250 million, which is principally engaged in education advisory services; and

(d) associated intellectual property assets, business contractual rights and obligations, accounts receivables and payables, inventory, other related assets, and employment resources set out in the Disposal Agreement that relate to the Education Business and ancillary to the Group's "college education" and "institutional customers" business segments.

Following the Disposal, the Target Entities will be deconsolidated from the Group.

Consideration and basis

The consideration for the Disposal is an aggregate of RMB1.5 billion, payable in cash.

With reference to the Board Letter, the consideration was agreed by the parties after arm's length negotiations, with reference to the Valuation.

Valuation

To assess the fairness and the reasonableness of the consideration for the Disposal, we obtained the Valuation Report prepared by the Independent Valuer and noted that the Valuation as at the Valuation Date ranged from approximately RMB1.36 billion to RMB1.72 billion.

For our due diligence purpose, we reviewed and enquired into (i) the terms of engagement of the Independent Valuer with the Company; (ii) the Independent Valuer's qualification and experience in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Independent Valuer for conducting the Valuation. From the mandate letter and other relevant information provided by the Independent Valuer and based on our interview with them, we are satisfied with the terms of engagement of the Independent Valuer as well as their qualification and experience for preparation of the Valuation Report. The Independent Valuer also confirmed that they are independent to the Group, New Oriental China and the Target Entities.

We also reviewed the Valuation Report and enquired into the Independent Valuer on the methodology, bases and assumptions adopted in arriving at the Valuation in order for us to understand the Valuation Report.

The Independent Valuer adopted the guideline public company method under market approach in conducting Valuation. With reference to the Valuation Report, the Independent Valuer considered the three generally accepted approaches, namely cost approach, income approach and market approach:

(i) cost approach is a technique that uses the reproduction or replacement cost as an initial basis for value. The cost to reproduce or replace the subject asset with a new asset, either identical (reproduction) or having the same utility (replacement), establishes the highest amount a prudent investor is likely to pay. The Independent Valuer considered cost approach to be inadequate for the Valuation given that cost approach fails to consider the going concern of the Education Business.

(ii) income approach explicitly recognizes that the current value of an asset (liability) is premised on the expected receipt (payment) of future economic benefits (obligations) generated over its remaining life. Value indications are developed by discounting expected benefits to their present value at the required rate of return that incorporates the time value of money and risks associated with the particular asset. The Independent Valuer considered income approach to be inadequate for the Valuation given that income approach relies to a great extent of profit projection, which is subject to high uncertainty.

(iii) market approach is a technique used to estimate value from an analysis of actual transactions or offerings for economically comparable assets available as of the Valuation Date. The process is essentially that of comparison and correlation between the subject asset and similar assets that have recently sold or are offered for sale in the market. The Independent Valuer considered market approach to be adequate for the Valuation given the number of comparable companies identified and their comparability to the Education Business.

Having considered that (i) the Independent Valuer considered cost approach and income approach before concluding the use of market approach for the Valuation; and (ii) the aforesaid reasons for not adopting cost approach and income approach, we concur with the Independent Valuer on the adoption of market approach and do not consider other approaches to assess the Valuation.

Under market approach, the Independent Valuer adopted the guideline public company method in conducting the Valuation. We noted that the Independent Valuer selected the comparable companies (i) that are listed on major exchanges such as Shanghai Stock Exchange, Shenzhen Stock Exchange, the Stock Exchange, New York Stock Exchange, and National Association of Securities Dealers Automatic Quotation System (NASDAQ); (ii) with shares not suspended for a long time; (iii) with principal business location in the PRC; and (iv) with more than 50% of their revenue from online extracurricular education services. Based on the aforesaid criteria, the Independent Valuer identified 5 comparable companies (the "**Comparable Companies**") and as confirmed by the Independent Valuer, they are exhaustive. As the selection criteria enable the Independent Valuer to (i) identify companies that mainly engage in similar business activity and location as the Education Business; (ii) collect sufficient data which are publicly available for the Independent Valuer to conduct the Valuation; and (iii) exclude irregularities in the valuation results due to the long suspension in trading of shares of comparable companies, we do not doubt the selection criteria adopted by the Independent Valuer.

For our due diligence purpose, we performed independent research on the comparable companies selected by the Independent Valuer. We noted that (i) these comparable companies principally operate in the provision of online extracurricular education services in the PRC with over 50% of their respective revenue derived from such activity based on the annual report of these comparable companies; (ii) these comparable companies are listed on either the Stock Exchange, the New York Stock Exchange or NYSE American Small Cap Equity Market, and the shares of which are traded for all or majority of the trading days during the two years immediately preceding the Valuation Date based on public information. As such we consider these comparable companies are fair and representative.

The Independent Valuer applied the multiples of enterprise value-to-sales ("**EV/Sales**") for the purpose of arriving at the Valuation. We understood from the Independent Valuer that (i) the Independent Valuer considered and rejected the use of price-to-earnings multiple and enterprise value-to-earnings before interest and tax as the earnings or losses of the comparable companies were affected by abnormal impact of the COVID-19; (ii) the Independent Valuer considered and rejected the use of price-to-book multiple as the Education Business is a light-asset business; and (iii) the Independent Valuer considered and adopted the EV/Sales revenue is one of the value indicator of the Education Business and the revenue of the Education Business is maintainable and gradually increasing. We noted that (i) all 5 Comparable Companies recorded loss for the latest financial year according to their annual reports; (ii) 4 of the 5 Comparable Companies recorded (a) loss before interest and tax; and (b) loss before interest, tax, depreciation and amortisation, for the latest financial year according to their annual reports. We also understood from the Independent Valuer that EV/Sales is capital structure-neutral multiples since it takes into account debt, preferred shares and minority interest without considering the difference in capital and organization structure of the comparable companies. As such, we consider the adoption of EV/Sales for the purpose of arriving at the Valuation is reasonable.

After the Independent Valuer computed the average and median EV/Sales of the comparable companies, the Independent Valuer (i) applied the control premium of 20% to reflect the premium which buyers typically pay for the ability to direct operational, managerial and financial decision of the target companies; and (ii) add the cash and short-term investments held by the Education Business to arrive at the Valuation. As discussed with the Independent Valuer, the control premium of 20% adopted represents the premium paid by the acquirers in acquisition transactions of PRC-based education companies from 2017 to 2022, being the acquisition transactions of listed PRC-based education companies took place in recent few years prior to the Valuation Date, identified by the Independent Valuer from Capital IQ (a product suite that provide data, analytics and third-party research for global finance and corporate professionals according to the annual report of S&P Global Inc. (stock ticker: NYSE: SPGI) for FY2022. S&P Global Inc. and its subsidiaries are a provider of credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity, automotive and engineering markets), which we consider to be a reputable and reliable source of information. Given the aforesaid and that the Disposal represents the disposal of the entire interest in the Education Business, we are of the view that both the use of control premium and the adoption of control premium of 20% in the Valuation are reasonable.

We noted from the Valuation Report that the Independent Valuer had performed sensitivity analysis on the Valuation. Based on the sensitivity analysis, had (i) control premium increase by 5% or 10% with other factors remaining unchanged, the Valuation would increase by approximately 3.68% to 4.07% or 7.35% to 8.14% respectively; and (ii) the control premium decrease by 5% or 10% with other factors remaining unchanged, the Valuation would decrease by approximately 3.49% to 3.68% or 7.35% to 7.56% respectively.

During our discussion with the Independent Valuer, we did not identify any major factor which caused us to doubt the reasonableness of the methodology, principle bases, assumptions and parameters used in the Valuation.

Having considered that the consideration for the Disposal was within the range of the Valuation, we are of the opinion that the consideration for the Disposal is fair and reasonable.

Closing conditions and settlement

With reference to the Board Letter, the closing of the Disposal is conditional upon certain conditions, details of which are set out under the sub-section headed “Conditions” of the section headed “2. The Disposal” of the Board Letter. The consideration for the Disposal will be settled within 10 business days of the closing date, being 1 March 2024 or a date as otherwise agreed by all parties to the Disposal Agreement.

Taking into account the above principal terms of the Disposal, we consider that the terms of the Disposal are fair and reasonable.

Possible financial effects

With reference to the Board Letter, upon completion the Disposal, the Education Business will no longer form part of the Group and the Group will no longer operate an online education business. The Company currently expects to record a gain on the Disposal of approximately RMB1,653.1 million, which was estimated based on the total consideration of the Disposal less the net liabilities of approximately RMB153.1 million of the Education Business as of 30 September 2023. The aforesaid amount is unaudited and subject to final confirmation.

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

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Disposal are on normal commercial terms and are fair and reasonable; and (ii) although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Disposal and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. 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 inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date and in accordance with the records of the Company maintained in accordance with the SFO and the Listing Rules, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") the contained in the Listing Rules were as follows:

Directors' and the chief executive's interests in the Company

Director or chief executive	Nature of interest	Relevant entity	Number of Shares	Approximate percentage of interest in the Company(1)
Mr. Yu Minhong(2)	Beneficial owner		24,195,285(L)	2.38%
	Interest in a controlled corporation	Tigerstep	27,182,832(L)	2.68%
Mr. Sun Dongxu(3)	Beneficial owner		14,982,000(L)	1.47%
Mr. Yin Qiang(4)	Beneficial owner		4,700,000(L)	0.46%
Ms. Sun Chang(5)	Beneficial owner		30,000(L)	0.00%
	Interest in a controlled corporation	First Bravo	151,000(L)	0.01%

Notes:

(1) The percentages are based on 1,016,026,486 Shares in issue as of the Latest Practicable Date. "(L)" denotes a long position in the Shares.

(2) Represents: (i) 16,695,285 and 6,000,000 Shares underlying share options granted to Mr. Yu under the 2018 Scheme and 2019 Scheme, respectively; (ii) 1,500,000 Shares underlying share awards granted to Mr. Yu under the 2023 Scheme; and (iii) 27,182,832 Shares held by Tigerstep, a controlled corporation of Mr. Yu.

(3) Represents: (i) 3,343,000 Shares beneficially held, (ii) 4,139,000 Shares and 4,500,000 Shares underlying share options granted to Mr. Sun under the 2018 Scheme and 2019 Scheme, respectively, and (iii) 3,000,000 Shares underlying share awards granted to Mr. Sun under the 2023 Scheme. As of the date of this circular, Mr. Sun has resigned as a Director.

(4) Represents: (i) 2,100,000 Shares and 2,000,000 Shares underlying share options granted to Mr. Yin under the 2018 Scheme and 2019 Scheme, respectively; and (ii) 600,000 Shares underlying share awards granted to Mr. Yin under the 2023 Scheme.

(5) Represents: (i) 30,000 Shares underlying share awards granted to Ms. Sun under the 2023 Scheme; and (ii) 151,000 Shares held by First Bravo Asia Limited, a controlled corporation of Ms. Sun.

Directors' and chief executive's interest in the underlying shares of associated corporations of the Company

New Oriental

Name of Director or chief executive	**Nature of interest**	**Total number of shares**	**Approximate percentage of shareholding in New Oriental**[(1)]
Mr. Yu Minhong[(1)]	Interest in a controlled corporation; beneficiary of a trust	202,072,160[(L)]	12.2%

Note:

(1) According to the best knowledge of our Directors and publicly available information of New Oriental published on the SEC website on 25 September 2023 (being the Form 20-F), this represents: (i) 169,235,000 common shares held by Tigerstep, a company wholly-owned by Mr. Yu, and (ii) 3,283,716 American depositary shares ("**ADS**", with each representing ten common shares of New Oriental), which consist of 3,215,054 ADSs held by Tigerstep and 68,662 ADSs held by Mr. Yu.

Associated corporation (other than New Oriental):

Name of Director	Nature of interest	Associated corporation	Registered capital amount (RMB)	Approximate percentage of shareholding in associated corporation
Mr. Yu Minhong	Beneficial owner	Beijing Century Friendship Education Investment Co., Ltd. ("**Century Friendship**")(1)	9,900,000(L)	99%
	Interest in a controlled corporation	New Oriental China(1)	50,000,000(L)	100%
	Interest of controlled limited partnership	Huoerguosi Oriental New Venture Equity Investment Partnership) (L.P.) ("**New Venture**")(2)	50,000,000(L)	50%

Notes:

(1) Century Friendship and New Oriental China are controlled through a series of contractual arrangements by, and are therefore treated as subsidiaries of New Oriental. Mr. Yu holds a 99% equity interest in Century Friendship, which in turn, holds the entire equity interests in New Oriental China. New Oriental China holds a 100% equity interest in, and has entered into contractual arrangements with Beijing Xuncheng.

(2) New Venture is held by the Company as to more than 20%, and is held by New Oriental China as to 50%. Mr. Yu holds a 99% equity interest in Century Friendship, which in turn, holds the entire equity interests in New Oriental China.

(3) "(L)" denotes a long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their respective associates had or is deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which the Director and chief executives of the company are taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTOR INTERESTS

Interest in service contracts

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group (excluding contracts expiring or determinable by such member of the Group within one year without payment of compensation other than statutory compensation).

Interest in competing business

As at the Latest Practicable Date, none of the Directors or their respective close associates is or was interested in any business apart from the Group's business, that competes or is likely to compete, either directly or indirectly, with the Group's business.

Interest in assets

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

Interests in contract or arrangement

As at the Latest Practicable Date, there is no contract or arrangement subsisting in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was or is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was or is known to the Directors to be pending or threatened by or against any members of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 May 2023, being the date to which the latest published audited financial statements of the Company were made up.

6. EXPERT AND CONSENT

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this circular:

Name	Qualification
Beijing PG Advisory Co., Ltd.	Independent Valuer
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, each of Gram Capital and the Independent Valuer has given and has not withdrawn their written consent to the issue of this circular with the inclusion of their letter or valuation report, as the case may be, and references to their name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Gram Capital and the Independent Valuer: (a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 May 2023, being the date to which the latest published audited accounts of the Company were made up.

7. DOCUMENTS ON DISPLAY

A copy of the Disposal Agreement will be available on the websites of the Hong Kong Exchanges and Clearing Limited (**www.hkexnews.hk**) and the Company (**ir.eastbuy.com**) from the date of this circular up to 14 days thereafter.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Beijing PG Advisory Co., Ltd., an independent valuer, in connection with its valuation as of 30 September 2023.

19 December 2023

The Board of Directors
EAST BUY HOLDING LIMITED

Dear Madam or Sir,

RE: VALUATION ANALYSIS OF 100% EQUITY INTEREST OF THE EDUCATION BUSINESS

Executive Summary

In accordance with your instructions, as confirmed in our letter of engagement between East Buy Holding Limited (the "Client" or the "Company" or "you") and Beijing PG Advisory Co., Ltd. ("PG Advisory", "we" or "us"), we have performed an indicative valuation analysis of the market value of the 100% equity interest of the education business of East Buy Holding Limited (the "Education Business" or the "Target Business") as of 30 September 2023 (the "Valuation Date").

This report has been prepared solely for your internal reference purpose.

We understand that the Company will conduct independent consideration and assessment before making any business decision and will not solely rely on our report, and the report issued by us will not replace other analysis and investigation work that should be carried out by the Client in reaching the business decision. Our report does not include specific purchase and sale recommendations.

We understand that the Company will conduct independent consideration and assessment before making any business decision and will not solely rely on our report, and the report issued by us will not replace other analysis and investigation work that should be carried out by the Client in reaching the business decision. Our report does not include specific purchase and sale recommendations.

To the fullest extent permitted by law, we accept no duty of care to any third party in connection with the provision of this report and/or any related information or explanation (together, the "Information"). Accordingly, regardless of the form of action, whether in contract, tort (including, without limitation, negligence) or otherwise, and to the extent permitted by applicable law, we accept no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the Information.

The Information used by us in preparing this report has been obtained from a variety of sources as indicated within the report. Business profiles, historical financial data and the key assumptions used in our analysis and as set out in the report are the responsibility of the management of the Client (the "Management"). Please note that the procedures and enquiries undertaken by us in preparing this report do not include any verification work, nor do they constitute an examination made in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us, except where otherwise stated herein, and no assurance is given. We accept no responsibility for the accuracy or completeness of the information provided by the Company, nor express any opinions. Despite our work involved an analysis of financial and accounting information of the Target Business, but for the purpose of this report, we will not conduct audit or other assurance work in accordance with the professional standards issued by the relevant Institute of Certified Public Accountants unless otherwise specified herein. Therefore, we do not provide audit opinions, certifications, or other forms of assurance opinions on related services or information we rely on.

The Management have confirmed to us that facts as stated in this report and calculation are accurate in all material respects and that they are not aware of any material matters relevant to our engagement which have been excluded.

No investigation has been made of, and no responsibility was assumed for, the legal description of the assets being valued or legal matters, including title or encumbrances. Title to the assets was assumed to be good and marketable unless otherwise stated. The assets are assumed to be free and clear of any liens, easements, encroachments, or other encumbrances unless otherwise stated.

We hereby certify that we have neither present nor prospective interests in the Target Business, the Client or the value reported.

Based on our analysis and the information provided by the Management, having regard to the work procedures we performed (Section 2.2), and subject to the limitations in the scope, the key assumptions as well as the general assumptions and limiting conditions described in Section 2.3, Section 2.4 and appendix hereof, the result of our analysis indicates that the market value of 100% equity interest of the Education Business as of the Valuation Date is as follows:

September 30, 2023	**100% equity interest of the Target Business (RMB'000) Range**	
the Education Business	Low-end	High-end
	1,360,000	1,720,000

Yours faithfully,

For and on behalf of PG Advisory
Thomas Yan
CFA, MsC
Managing Partner

Beijing PG Advisory Co., Ltd.
19 December 2023

Note: PG Advisory is a leading financial advisory firm which provides valuation, due diligence, transaction advisory, financial and tax consulting services. Founded in 2014, PG Advisory owns over 120 experienced professionals based in Beijing, Shanghai, Hangzhou, and Wuhan.

Thomas Yan is a managing partner at PG Advisory. He has dedicated himself to the business valuation over 10 years. He developed plenty of valuation projects across a wide range of industries in support of financial reporting, tax planning and compliance, strategic planning, financing, mergers, and acquisition purpose. He has led teams to conduct valuation services for more than 50 companies listed in NYSE, NASDAQ, and HKEx.

1. Purpose of Valuation

In accordance with your instructions, as confirmed in our letter of engagement between East Buy Holding Limited (the "Client" or the "Company" or "you") and PG Advisory Co., Ltd. (referred to as "PG Advisory", "we" or "us"), we have performed an indicative valuation analysis of the market value of the 100% equity interest of the education business of East Buy Holding Limited (the "Education Business" or the "Target Business") as of 30 September 2023 (the "Valuation Date"). The basis of our valuation is market value, which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". As the Client is contemplating to dispose the 100% equity interest of the Target Business, the premise of our valuation analysis is on a controlling and marketability basis.

This report has been prepared solely for your internal reference purpose.

2.1 Valuation Subject and Valuation Date

The subject of this indicative valuation analysis is to determine the market value of the 100% equity interest of the Education Business of East Buy Holding Limited.

The valuation date has been set at 30 September 2023.

2.2 Work Procedures

Pursuant to the engagement letter, we have performed the following procedures with respect to the valuation analysis:

- Obtained relevant materials and financial information of the Target Business;
- Discussed with your designated personnel to better understand the key financial and operational issues of the Target Business;
- Reviewed and analyzed the historical financial information related to the Target Business for the past one year;
- Performed research on market data for comparable publicly traded companies observed in the similar lines of businesses;
- Analyzed and selected the appropriate market multiples under the market approach based on the financial and operation positions of the Target Business;
- Obtained the financial and operation information of the comparable companies and calculated the market multiples of the comparable companies as of the Valuation Date;

- Applied appropriate valuation parameters (e.g., the control premium); and

- Calculated the 100% equity interest of the Target Business as of Valuation Date.

2.3 Limitations on the Scope of Work

Whilst we have endeavored to analyze pertinent operational and financial information provided to us, we have identified or encountered the following limitations during our work. We would like to draw your attention to the limitations described hereunder when considering the results of our work.

- We make no representation regarding the sufficiency of our work either for purposes for which this report has been requested or for any other purpose. The sufficiency of the work we performed is solely the addressee's responsibility, as are any decisions with respect to the analysis results of the Target Business.

- This report is prepared solely based on the financial information provided by and the discussion with the representatives of the Management. We have not performed any audit, due diligence, or verification procedures to satisfy ourselves with respect to the accuracy and validity of the information provided, and accordingly make no representations as to the reliability and accuracy of such information.

- Our work composes of telephone discussion with the Management and limited industry research. Our calculation is based on the information provided by the Client.

- Despite we have discussed with the Management about the key operation and financial performance of the Target Business, the use of our work product will not supplant other necessary due diligence which they should conduct in reaching business decisions.

- If we were requested to perform some further work procedures beyond our scope to obtain some further information, our analysis result may be different.

- We understand that you will not rely solely on our deliverables and your use of the results of our analysis shall not supplant other analyses and inquiries which you should conduct. We are not required to make specific purchase or sale recommendations.

- In performing our services, we will not carry out an audit or other assurance engagement in accordance with applicable professional standards. Accordingly, we provide no audit opinion, attestation, or other form of assurance with respect to our work or the information upon which our work was based.

2.4 Key Assumptions

Basic Assumptions

- Assume that there will be no significant changes in relevant laws and regulations, industrial policies, fiscal and monetary policies and economic environment during the current and future existence of the Target Business.

- Assume that there will be no significant change in the tax policy applicable to operations of the Target Business.

- Assume that no major changes in the current interest rates or exchange rates.

- The estimation of this valuation analysis is based on the purchasing power of local currency on the Valuation Date.

- Assume that the Target Business has fully complied with the existing national and local laws and regulations on land planning, use, possession, environment, and other relevant issues.

- Assume that the Target Business has no undisclosed actual contingent assets or liabilities, no unusual obligations or substantive commitments, and no pending litigation or threat to have a material impact on the value of the shareholders' entire equity of the Target Business.

- In addition to the information provided by the Company, assume that there is no other important information that affects the value analysis of the Target Business.

Specific Assumptions

- Assume that the revenue of the Target Business for the period of 1 October 2022 to 30 September 2023 are maintainable.

- Assume that the market values of comparable companies (i.e., the share price multiplied by the number of shares as of the Valuation Date) can represent the best estimate of the market participants.

2.5 Work not Carried

We have NOT carried out any work in the following areas:

- Financial/tax due diligence;

- Legal due diligence;

- Review of transfer pricing policy;
- Commercial, operational or market due diligence;
- Production technology due diligence;
- Statutory valuation;
- Macroeconomic projections;
- The external marketplace (market size), segmentation, growth trends, the competitive environment (key competitors, market shares) study;
- Audit of the financial/tax information concerned (nor have a review of the accounting/tax principles used in this valuation calculation been carried out);
- Structuring advice relating to the proposed transactions (taxation and/or accounting issues);
- Analysis of the Target Business's strategic positioning strategies;
- IT due diligence; and
- Human resource consultancy.

3. Company Overview

East Buy Holding Limited

East Buy Holding Limited operates through College Education, Institutional Customers, and Livestreaming E-Commerce segments. Dong Fang Zhen Xuan, an e-commerce platform for selling agricultural and other products. The company was founded in 2005 and is headquartered in Beijing, China. East Buy Holding Limited is a subsidiary of New Oriental Education & Technology Group Inc.

The Education Business

The Target Business is currently operated by East Buy Holding Limited and is focus on online college education and online education for institutional customers. It offers educational solutions for postgraduate entrance exams, tailor-made courses for occupational students, and online traffic pool for university students; user growth platforms, such as Koolearn TOEFL and IELTS APP, TOEFL and IELTS mock test platform, and the AI test system platform; course delivery platforms, which includes Zhixin adaptive learning system, livestreaming course platform, and learning analysis system, etc.; and user analysis platforms, including real-time data analysis boards, tips grading systems, etc. The Target Business also provides pre-recorded online education package services to institutional customers, including colleges and universities, public libraries, and telecom operators.

4. Valuation Analysis

Generally, there are three valuation approaches: the cost approach, the market approach, and the income approach. The three approaches to value are summarized as follows:

The cost approach is a technique that uses the reproduction or replacement cost as an initial basis for value. The cost to reproduce or replace the subject asset with a new asset, either identical (reproduction) or having the same utility (replacement), establishes the highest amount a prudent investor is likely to pay. To the extent that the asset being valued provides less utility than a new one, due to physical deterioration, functional obsolescence, and/or economic obsolescence, the value of the subject asset is adjusted for those reductions in value. Adjustments may be made for age, physical wear and tear, technological inefficiencies, changes in price levels, and reduced demand, among other factors.

The market approach is a technique used to estimate value from an analysis of actual transactions or offerings for economically comparable assets available as of the Valuation Date. The process is essentially that of comparison and correlation between the subject asset and similar assets that have recently sold or are offered for sale in the market. The transaction or offering prices of the comparable assets are adjusted for dissimilarities in characteristics including location, age, time of sale, size, and utility, among others. The adjusted prices of the comparable assets provide an indication of value for the subject asset.

The income approach explicitly recognizes that the current value of an asset (liability) is premised on the expected receipt (payment) of future economic benefits (obligations) generated over its remaining life. These benefits can be in the form of earnings, net income, cash flow, or other measures of profitability and should include the proceeds from final disposition as well as cost savings and tax deductions. Value indications are developed by discounting expected benefits to their present value at the required rate of return that incorporates the time value of money and risks associated with the particular asset. The discount rate selected is generally based on expected rates of return available from alternative investments of similar type, quality, and risk as of the Valuation Date.

In this valuation exercise, and based on our communication with the Management, our understanding of the business model, revenue composition, financial conditions, and business plan of the Target Business, we have adopted the market approach to perform the 100% equity interest of the Target Business. We consider the income approach to be inadequate given that income approach relies to a great extent of profit projection, and the Management consider profit projection is subject to high uncertainty. We consider the cost approach to be inadequate given that this approach fails to consider the going concern of the Target Business.

4.1 Market Approach

In this valuation analysis, we adopted the guideline public company method under the market approach by analyzing certain listed companies engaged in online extracurricular education services.

4.2 Market Multiples

The market approach estimates the indicative value of the Target Business by applying estimated market multiples, generally including earning multiple, assets multiple, revenue multiple and other specific multiples. When selecting, calculating and applying value multiples, we usually consider:

- The selected multiples are reasonable;
- The appropriate valuation parameters (e.g. the control premium) are applied; and
- The multiple calculated is apple to apple.

We analyzed and selected the appropriate market multiples based on the industry and financial positions of the Target Business. Considering the Target Business is a light asset company, assets multiple is not appropriate. We also considered the use of earnings multiple as not appropriate and unreliable due to the repercussions of COVID-19 and the double-reduction policy on extracurricular education services, which have led to the earning metrics of comparable companies nearing or falling below zero, yielding earnings multiples that were sky-high or negative. The enterprise value-to-sales (EV/S) compares the enterprise value (EV) of a company to its annual sales. The EV/S multiple gives investors a quantifiable metric of how to value a company based on its sales while taking into account both the company's equity and debt. Given that comparable companies and the Target Business both operate within the educational landscape in China, they are subject to similar policy environments and market trends. In addition, the Target Business has exhibited maturity through its many years of operation, which has resulted in a stable and representative revenue track-record. Based on the above attributes, the EV/S was selected as the most appropriate for valuing the Target Business.

The calculation of EV is described as follows:

EV = Market Capitalization + Debt + Preferred Shares + Minority Interest – Cash and Short-term Investment.

The selected period for revenue is the 12 months from 1 October 2022 to 30 September 2023.

All relevant data above are sourced from Capital IQ.

4.3 Selection of Comparable Companies

Upon the discussion with the Management and widely research on publicly available information, we carried out the following procedures to ensure the list of comparable companies is exhaustive and representative:

Firstly, we screened companies on Capital IQ based on the following criteria:

- listed on major exchanges such as the Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE), Hong Kong Exchanges and Clearing (HKEX), New York Stock Exchange (NYSE), and National Association of Securities Dealers Automated Quotations (NASDAQ);
- operates business in China; and
- operates in the education industry.

Subsequently, we applied the following procedures to enhance the comparability of the companies' selection:

- stocks that have not been suspended for a long time;
- companies that have not experienced financial issues; and
- company with than 50% of its revenue contribution generated from online extracurricular education services.

Finally, aside from the comparable companies listed in the valuation report, we identified a number of other entities that, upon examination of their financial documents, website information, and Capital IQ data, were deemed not suitable:

- The following companies were not selected due to them having a low percentage of online courses or operating mainly through on-site or offline training: Jiangsu Chuanzhiboke Education Technology Co., LTD. (SZSE:003032), ATA Creativity Global (NasdaqGM: AACG), Jianzhi Education Technology Group Company Limited (NasdaqGS: JZ), Kaiyuan Education Technology Group Co., Ltd. (SZSE:300338), Minsheng Education Group Company Limited (SEHK:1569), Chuanglian Holdings Limited (SEHK:2371), Golden Sun Education Group Limited (NasdaqCM: GSUN), Xueda (Xiamen) Education Technology Group Co., Ltd. (SZSE:000526), China Maple Leaf Educational Systems Limited (SEHK:1317), Neusoft Education Technology Co. Limited (SEHK:9616) and Shanghai Xinnanyang Only Education & Technology Co.,Ltd (SHSE:600661).

- Sunlands Technology Group (NYSE: STG) was not selected as the enterprise of the company is negative.

- The following companies were not selected as the business did not focus on extracurricular education services: Zhongchao, Inc. (NASDAQ:ZCMD), and Tarena International, Inc. (NasdaqCM: TEDU).

Based on the criteria, we have identified the following 5 comparable listed companies engaging in online extracurricular education services with similar business model. Such comparable companies are adopted with consideration of the factors such as business model, business stage, operational risks, financial risks, and so on.

The Comparable Companies below have been selected based on the above selection criteria.

Comparable Companies (stock code)	% of Revenue Contribution in online education services	Currency	Market Capitalization[1] *(million)*	Enterprise Value[2] *(million)*	Sales Revenue[3] *(million)*
TAL Education Group (NYSE:TAL)	83.71%	USD	5,817	3,003	1,189
Fenbi Ltd., (SEHK:2469)	50.34%	HKD	11,072	9,466	3,287
Youdao, Inc. (NYSE:DAO)	61.53%	USD	499	669	735
Gaotu Techedu, Inc. (NYSE: GOTU)	97.50%	USD	723	403	388
51Talk Online Education Group (NYSEAM:COE)	100%	USD	50	29	21

Source: Capital IQ, financial reports of the Comparable Companies

Note:

1. Market capitalization of the Comparable Companies as at the Valuation Date.
2. Enterprise Value = Market Capitalization + Debt + Preferred Shares + Minority Interest – Cash and Short-term Investment.
3. Latest published sales revenue amount of the Comparable Companies for the last twelve months as the Valuation Date.

Descriptions of selected comparable companies are as follows:

TAL Education Group (stock code: NYSE:TAL): provides K-12 after-school tutoring services in the People's Republic of China. The company offers tutoring services to K-12 students covering various academic subjects, including mathematics, physics, chemistry, biology, history, geography, political science, English, and Chinese. It provides tutoring services primarily through small-class services under the Xueersi, Xueersi Online School, First Leap, Tipaipai, Xiaohou AI, Xiaohoucode, Aiqidao, Mamabang, Kaoyanbang, and Shunshunliuxue brand names; and personalized premium services under Izhikang name. The company also operates jzb.com, an online education platform; provides investment management and consulting services; develops and sells software and networks, as well as related consulting services; and sells educational materials and products. TAL Education Group was founded in 2003 and is headquartered in Beijing, the People's Republic of China.

Fenbi Ltd., (stock code: SEHK:2469): an investment holding company, provides non-formal vocational education and training services in the People's Republic of China. The company operates through Classroom-Based Tutoring Services, Online Tutoring Services, and Sales of Books. It offers classroom teaching to the students who physically attend the lectures in tutoring centers and tutoring bases/campuses. The company also engages in the provision tutoring courses services, primarily online tutoring courses services, membership package, challenge exercise, etc., and sales of books. Fenbi Ltd. was incorporated in 2013 and is headquartered in Beijing, the People's Republic of China.

Youdao, Inc. (stock code: NYSE:DAO): an internet technology company, provides online services in the field of content, community, communication, and commerce in China. It operates through three segments: Learning Services, Smart Devices, and Online Marketing Services. The company provides various learning content, applications, and solutions, which cover topics and target people from various age groups for their learning needs through its websites and mobile applications. The company provides online courses comprising Youdao Premium Courses and NetEase Cloud Classroom, as well as technical support to the variable interest entities (VIEs). Youdao, Inc. was founded in 2006 and is headquartered in Hangzhou, China. Youdao, Inc. is a subsidiary of NetEase, Inc.

Gaotu Techedu, Inc. (stock code: NYSE:GOTU), a technology-driven education company, provides online tutoring services in the People's Republic of China. The company provides foreign language courses comprising English and Japanese, as well as test preparation courses for students taking language certification exams; and professional courses primarily for college students and adults preparing for professional qualification exams, such teacher's qualification, Chartered Financial Analyst designation, Certified Public Accountant designation, Certified Tax Agent designation, securities qualification exams, and other exams. In addition, the company provides online IT education courses, such as computer programming, as well as online courses on professional computer coding; career development courses, including memory enhancement courses, leadership and management training courses, and others; and courses to prepare and pass certain language exams for study abroad, such as IELTS and TOEFL. Further, it provides non-academic tutoring and personal interest courses comprising chess learning, family relationships and education, humanities, and science courses; and designs and develops course outlines, interactive courseware, practice exercises, and lesson notes, as well as reference books, such as Chinese dictionary, dictionary of idioms, and past exam questions of college entrance examination. Gaotu Techedu Inc. was incorporated in 2014 and is headquartered in Beijing, the People's Republic of China.

51Talk Online Education Group (NYSEAM:COE), through its subsidiaries, provides online English language education services to students in the People's Republic of China, the Philippines, and internationally. The company operates online and mobile education platforms that enable students to take live interactive English and Chinese lessons. Its flagship courses include Classic English Junior and Classic English for the development of English communication skills, as well as AI-empowered knowledge preview and AI-empowered reading lessons. It also offers small group lessons. The company was formerly known as China Online Education Group and changed its name to 51Talk Online Education Group in September 2022. 51Talk Online Education Group was founded in 2011 and is headquartered in Singapore.

4.4 Market Multiples of the Comparable Companies

The market multiples of the comparable companies as of the Valuation Date are shown below:

Comparable Companies		**EV/Sales**
TAL Education Group (NYSE:TAL)		2.53x
Fenbi Ltd. (SEHK:2469)		2.88x
Youdao, Inc. (NYSE:DAO)		0.91x
Gaotu Techedu, Inc. (NYSE:GOTU)		1.04x
51Talk Online Education Group (NYSEAM:COE)		1.34x
	Median	**Low-end 1.34x**
	Average	**High-end 1.74x**

Source: Capital IQ

4.5 Discount for Lack of Marketability (referred to as "DLOM")

The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in a closely held corporation. Because the Target Business is held by a public company, so it assumed there is no discount due to the lack of marketability.

4.6 Control Premium

Controlling interest in a company is typically considered more valuable than non-controlling interest due to the ability of a controlling interest to direct operational, managerial, and financial decision. The difference between the two is the control premium. Conversely, non-controlling interest such as parcel of shares traded in public stock exchange are usually considered to carry a discount for lack of control ("DLOC") in their value compared to controlling interest.

From an economic point of view, acquirer of publicly listed company often needs to pay a premium price over the public traded stock price to induce more existing shareholders to sell to purchase a controlling interest in a company. Therefore, control premium is also interpreted as market participant acquisition premium ("MPAP") and there are estimates of applicable control premium through statistics on the price paid in acquisition over normal pricing of a given security.

Based on our discussion with the Company to understand the above and our research from Capital IQ, we identified five recent acquisition transactions of Chinese education industry, wherein the median control premium was approximately 20%: In addition, according to the valuation considerations under the global COVID-19 epidemic situation written by PricewaterhouseCoopers China (PwC), the amount and number of global M&A transactions in each quarter have gradually declined, especially in the first quarter of 2020. The average control premium also showed a similar trend, falling to about 10% in the first quarter of 2020, compared with about 20% in 2018 and 2019. However, with the end of the COVID-19 pandemic, it was expected that the control premium would return to normal. Given that the cases from Capital IQ belong to a similar industry as the Target Business, and the existing research conducted by PwC also supports our conclusion, we deem a 20% control premium to be fair and reasonable for this valuation analysis.

4.7 Calculation of 100% Equity Interest of the education business of East Buy Holding Limited

We adopted the average and median of the EV/S to determine the 100% equity interest of the Education Business of East Buy Holding Limited as of the Valuation Date. The valuation analysis is as follows:

	EV/Sales-LTM	**EV/Sales-LTM**	
Selected multiples	1.34x	1.74x	a
Revenue of the Target Business from 1 October 2022 to 30 September 2023 (RMB'000)	762,035	762,035	b
Enterprise value (before control premium)	1,023,325	1,325,414	c=a*b
Adjustment: control premium	20%	20%	e
Enterprise value (after control premium)	1,227,990	1,590,497	f=c*(1+e)
Adjustment: cash and short-term investments	133,171	133,171	g
Range of 100% equity interest of the Target Business	1,361,161	1,723,668	h=f+g
100% equity interest of the Target Business	Low-end	High-end	
(RMB'000, rounded)	1,360,000	1,720,000	

Based on the above analysis, the range of 100% equity interest of the Target Business as of the Valuation Date is RMB1.36 billion to RMB1.72 billion.

4.8 Sensitivity Analysis

As the control premium applied is based on statistics, we have illustrated below the impact to the value of the 100% equity interest in different control premium:

RMB'000

Control premium		**10%**	**15%**	**20%**	**25%**	**30%**
100% equity interest of the Target Business	Low-end	1,260,000	1,310,000	1,360,000	1,410,000	1,460,000
	High-end	1,590,000	1,660,000	1,720,000	1,790,000	1,860,000

5. Conclusion

Based on our analysis and the information provided by the Management, having regard to the work procedures we performed (Section 2.2), and subject to the limitations in the scope, the key assumptions as well as the general assumptions and limiting conditions described in Section 2.3, Section 2.4 and appendix hereof, the results of our analysis indicate that the market value of 100% equity interests of the education business of East Buy Holding Limited as of the Valuation Date is as follows:

September 30, 2023	**100% equity interest of the Target Business (RMB'000) Range**	
The Education Business	Low-end	High-end
	1,360,000	1,720,000

Yours faithfully,

For and on behalf of PG Advisory

Assumption and Limiting Conditions

This report was prepared based on the following general assumptions and limiting conditions:

All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in this report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in this report is accurate, no guarantee is made, nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.

We also assume no responsibilities in the accuracy of any legal matters. No investigation has been made of the title to or any liabilities against the property appraised. Unless otherwise stated in the report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.

We have not verified particulars of property, including their areas, sizes, dimensions, and descriptions, which we have used or have referred to in connection with the preparation of this report, unless otherwise stated in this report. Any information regarding areas, sizes, dimensions, and descriptions of property mentioned in this report are for identification purposes only, and no one should use such information in any conveyance or other legal document. Any plans or graphical illustrations presented in this report are intended only for facilitating the visualization of the property and its surroundings and such plans or graphical illustrations should not be regarded as a survey or a scale for size.

The value opinion presented herein is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of value. The date of value on which the expressed conclusions and opinions apply is stated in this report.

This report has been prepared solely for the use or uses stated. It is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.

Prior written consent must be obtained from us for publication of this report. No part of this report (including without limitation any conclusion, the identity of any individuals signing or associated with this report or the firms/companies with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disclosed, disseminated or divulged to third parties by any means of publications such as prospectus, advertising materials, public relations, news.

No environmental impact study has been carried out, unless otherwise stated in this report. We assume all applicable laws and governmental regulations are being complied with unless otherwise stated in this report. We have also assumed responsible ownership and that all necessary licenses, consents, or other approval from the relevant authority or private organizations have been or to be obtained or renewed for any use that is relevant to analysis in this report.

Unless otherwise stated in this report, the value estimate set out in this report excludes the impact of presence of any harmful substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination. For purposes of evaluating potential structural and/or environmental defects, where their existence could have a material impact on value of the property, we would recommend that advice from the relevant experts, such as a qualified structural engineer and/or industrial hygienist, should be sought.

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EAST BUY HOLDING LIMITED
東方甄選控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1797)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of East Buy Holding Limited ("**Company**") will be held at the Company's headquarters in Beijing, Level 18, South Wing, 2 Haidian East Third Road, Haidian District, Beijing, China on Thursday, 18 January 2024 at 10 a.m. for the purpose of considering, and if thought fit, passing with or without modifications, the resolution set out below, to be passed as an ordinary resolution.

Reference is made to the circular of the Company dated 28 December 2023, a copy of which is published on the websites of the Hong Kong Exchanges and Clearing Limited (**www.hkexnews.hk**) and the Company (**ir.eastbuy.com**) (the "**Circular**"). Unless otherwise defined, capitalised words used in this notice shall have the same meanings as those defined in the Circular.

ORDINARY RESOLUTION

1. "**THAT**

(a) the Disposal Agreement (and the transactions contemplated thereunder), together with any ancillary documents and transactions for the purpose of, and which are part and parcel with, the Disposal (the details of which are described in the Circular, and in particular, the section headed "Letter from the Board–2. The Disposal" of the Circular) be hereby confirmed, approved or ratified, as the case may be; and

(b) any Director (or any person designated by them), acting singly or collectively, be and is hereby authorised to do all such acts, including to prepare, sign, execute and deliver all such other documents, instruments and agreements for and on behalf of the Company, and to take any and all steps considered necessary, desirable or expedient by such Director(s) (or person(s) designated by the Director(s)) to implement and/or give effect to the Disposal Agreement and the transactions thereunder; and that any member of the Group (including those newly established or invested through equity acquisition or other organisations) be and is hereby authorised to, in that member's absolute discretion deemed appropriate or expedient and in the interests of the Company and its shareholders as a whole and based on the actual needs of the Group, negotiate, prepare, execute, amend, supplement and perform any and all documents in connection with the Disposal Agreement (including but not limited to the transactions contemplated thereunder) and proceed with all actions considered by such member to be necessary or desirable to execute, implement, perform or give effect to the Disposal Agreement (and the transactions contemplated thereunder)."

By order of the Board
East Buy Holding Limited
Mr. YU Minhong
Chairman of the Board

Hong Kong, 28 December 2023

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of that shareholder. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held that shareholder.

3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the EGM (*i.e.*, not later than 10 a.m. on Tuesday, 16 January 2024 (Hong Kong time)) or the adjourned meeting (as the case may be). To be effective, all proxy appointments must be lodged with Computershare Hong Kong Investor Services Limited before the deadline. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed on 15 January 2024 to 18 January 2024, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 January 2024.

5. In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of vote(s) of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company.

6. A circular containing further details concerning proposed ordinary resolutions set out in this notice will be sent to all Shareholders together with this notice.

7. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises the following members: Mr. YU Minhong, and Mr. YIN Qiang, as executive Directors; Ms. SUN Chang as non-executive Director; and Mr. LIN Zheying, Mr. TONG Sui Bau, and Mr. KWONG Wai Sun Wilson, as independent non-executive Directors.