



多想雲
MANY IDEA
CLOUD

Many Idea Cloud Holdings Limited
多想雲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6696)

Executive Directors:

Mr. Liu Jianhui
(Chairman and chief executive officer)
Ms. Qu Shuo
Mr. Chen Shancheng
Mr. Chen Zeming

Registered Office:

Ogier Global (Cayman) Limited
89 Nexus Way, Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

Non-executive Director:

Ms. Liu Hong

Principal Place of Business in Hong Kong:

2408, World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

Independent Non-executive Directors:

Ms. Wang Yingbin
Ms. Wong Yan Ki, Angel
Mr. Tian Tao
Ms. Xiao Huilin

25 January 2024

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED OPEN OFFER ON THE BASIS OF
ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE;
(2) CONNECTED TRANSACTION IN RELATION TO THE
UNDERWRITING AGREEMENT;
(3) APPLICATION FOR WHITEWASH WAIVER; AND
(4) NOTICE OF THE EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 28 December 2023 in relation to, among other matters, the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

The purpose of this circular is to provide you with, among other things, (i) details of the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) the notice of the EGM.

PROPOSED OPEN OFFER

The Board proposes to offer by way of the Open Offer to the Shareholders a total of 400,000,000 Open Offer Shares at a price of HK\$0.15 per Open Offer Share. The net proceeds from the Open Offer after deducting related expenses are estimated to be approximately HK\$57.76 million. The Underwriter, a substantial shareholder beneficially holding 130,457,399 Shares, representing approximately 16.31% of the number of Shares in issue as at the Latest Practicable Date, has agreed to underwrite the Untaken Offer Shares on the terms and conditions set out in the Underwriting Agreement.

Issue statistics

Basis of the Open Offer:	One (1) Open Offer Share for every two (2) existing Shares held by the Shareholders on the Record Date
Open Offer Price:	HK\$0.15 per Open Offer Share
Number of Shares in issue as at the Latest Practicable Date:	800,000,000 Shares
Number of Open Offer Shares:	400,000,000 Open Offer Shares (assuming no change in the number of issued Shares as at the Latest Practicable Date up to and including the Record Date)
Underwriter:	Many Idea Liujianhui

As at the Latest Practicable Date, no share options have been granted by the Company under any of its share schemes, and the Company has no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares. The Company has no intention to issue any new Shares and any other securities except the Open Offer Shares before completion of the Open Offer. Assuming no changes in the share capital of the Company on or before the Record Date, the number of 400,000,000 Open Offer Shares to be issued pursuant to the Open Offer represent approximately 50.0% of the total number of the existing issued Shares as at the Latest Practicable Date and approximately 33.3% of the total number of issued Shares as enlarged immediately upon the completion of the Open Offer (assuming all the Open Offer Shares will be taken up).

Open Offer Price

The offer price of HK\$0.15 per Open Offer Share, payable in full by a Qualifying Shareholder upon application for the assured allotment of Open Offer Shares under the Open Offer, represents:

- (i) a discount of approximately 34.50% over the closing price of HK\$0.229 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and the Placing Agreement;
- (ii) a discount of approximately 31.19% over the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.218;
- (iii) a discount of approximately 32.43% over the average of the closing prices per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.222;
- (iv) a discount of approximately 23.08% to the theoretical ex-entitlement price of approximately HK\$0.195 per Share based on the closing price of HK\$0.217 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Open Offer Shares;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 11.35% represented by the theoretical diluted price of approximately HK\$0.203 to the benchmarked price of approximately HK\$0.229 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the date of the Underwriting Agreement and the Placing Agreement of HK\$0.229 per Share and the average closing price of the Shares in the five trading days immediately prior to the date of the Announcement of HK\$0.218 per Share); and
- (vi) a discount of approximately 80.31% and 80.44% to the audited and unaudited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2022 and 30 June 2023 of approximately HK\$0.762 and HK\$0.767 per Share, respectively, calculated based on the consolidated net assets of the Group attributable to the Shareholders of approximately RMB544.86 million and RMB565.34 million (equivalent to approximately HK\$609.70 million and HK\$613.39 million based on the exchange rate of RMB1.000 to HK\$1.119 and RMB1.000 to HK\$1.085 as at 31 December 2022 and 30 June 2023, respectively). as at 31 December 2022 and 30 June 2023, respectively, and 800,000,000 Shares then in issue as at both of the aforesaid dates.

The terms of the Open Offer, including the Open Offer Price, were determined by the Board with reference to (i) the prevailing market condition; (ii) the prevailing market prices of the Shares; and (iii) the capital required for the Group's business development as detailed in the section headed "Reasons for the Open Offer and the use of proceeds" below. The Open Offer Shares will be offered to all Shareholders and each Qualifying

Shareholder will be entitled to apply for the Open Offer Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date.

The Board notes that it is common practice to set the Open Offer Price at a discount to the prevailing market prices of the relevant Shares to increase the attractiveness and encouraging Shareholders to participate in the Open Offer so as to meet the Company's need for additional funding with reference to the comparison of the terms of the Open Offer (including the Open Offer Price) with other recent open offer exercises for the period from 1 January 2021 to the Last Trading Day. Taking into account (i) the historical closing prices of the Shares exhibiting a general downward trend from the highest closing price of HK\$0.74 on 7 December 2022 to the closing price of HK\$0.217 on the Last Trading Day (i.e. 27 December 2023) during the period from 1 December 2022 to the Last Trading Day; and (ii) the average daily trading volume of the Shares ranging from approximately the highest of 13,622,900 Shares in December 2022 to the lowest of 291,158 Shares in September 2023 during the period from 1 December 2022 to the Latest Practicable Date, representing approximately 0.04% to 1.70% of the total number of issued Shares, respectively, indicating the current thin trading liquidity of the Shares, the Board is of the view that the Open Offer Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole to set the Open Offer Price at a discount of approximately 34.5% to the closing price of its Shares on the date of the Underwriting Agreement and the Placing Agreement in order to attract the Qualifying Shareholders to participate in the Open Offer and to maintain their respective shareholdings in the Company.

In addition, while the Open Offer Price represents a significant discount to the consolidated net asset value per Share attributable to the Shareholders as at 31 December 2022 and 30 June 2023, the Board is of the view that such discount is fair and reasonable in light of the expansion of the business and long-term and sustainable development of the Group which requires continuous input of resources in its assets, particularly intangible assets, such as trademarks, software copyrights and software, as well as cash flows for the development of the Group's principal business and the negative market sentiment and economic uncertainty based on the current market assessment as to the market responses to the Open Offer by the Directors.

Based on the above, the Directors (other than members of the Independent Board Committee) view have been set out in the "Letter from the Independent Board Committee" of this circular after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Open Offer, including the Open Offer Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is conditional upon (i) the obtaining of the Independent Shareholders' approval at the EGM; (ii) the Whitewash Waiver having been granted to the Underwriter (and such waiver not having been revoked or withdrawn); and (iii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. For details of the conditions of the Underwriting Agreement, please refer to the paragraphs headed "Underwriting arrangement for the Open Offer — Conditions of the Underwriting Agreement" below.

Basis of assured allotment

Under the Open Offer, the basis of the assured allotment will be one (1) Open Offer Share for every two (2) existing Shares held by the Shareholders as at the close of business on the Record Date.

Fractional assured allotment of the Open Offer Shares

Open Offer Shares in assured allotment will be rounded down to the nearest whole number. No fractional Open Offer Shares will be issued under the Open Offer. All fractions of Open Offer Shares will be aggregated and first placed by the Placing Agent under the Unsubscribed Arrangements (see details set out in the paragraphs headed “Procedures in respect of the Unsubscribed Shares and the Unsubscribed Arrangements” below) to Independent Third Parties. No odd lot matching services will be provided by the Company in respect of the Open Offer Shares.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 5 March 2024 to Friday, 8 March 2024 (both dates inclusive) to determine the qualification for attendance and voting at the EGM. No transfer of Shares will be registered during this period.

The register of members of the Company will be closed from Thursday, 14 March 2024 to Wednesday, 20 March 2024 (both dates inclusive) to determine entitlements to the Open Offer. No transfer of Shares will be registered during this period.

Status of the Open Offer Shares

The Open Offer Shares, when issued and fully paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and will rank pari passu in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Open Offer Shares.

Qualifying Shareholders and Non-Qualifying Shareholders

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and a Qualifying Shareholder. As at the Latest Practicable Date, the Company has Overseas Shareholders situated in the PRC and the British Virgin Islands.

In order for the transferees to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar (i.e. Computershare Hong Kong Investor Services Limited) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by 4:30 p.m. on Wednesday, 13 March 2024.

The Company expects to send the Prospectus Documents to Qualifying Shareholders on or before Thursday, 21 March 2024. The Company will, to the extent

permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus only, to Non-Qualifying Shareholders for information purposes. The Non-Qualifying Shareholders will not be entitled to any assured allotment under the Open Offer.

Application for all or any part of a Qualifying Shareholder's assured allotment of Open Offer Shares should be made by completing the Application Form and lodging the same with a remittance for the Open Offer Shares being applied for with the Registrar at or before the Latest Time for Application (i.e. 4:00 p.m. on Tuesday, 9 April 2024).

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries regarding the feasibility of extending the Open Offer to Overseas Shareholders under the laws of the relevant overseas jurisdictions and the requirement of the relevant regulatory bodies or stock exchanges. As at the Latest Practicable Date, there were 43 Shareholders holding 557,520,548 Shares in aggregate with registered addresses outside Hong Kong, namely in the PRC and the British Virgin Islands, representing approximately 69.7% of the total issued shares of the Company. Based on the legal opinions obtained by the Company, there is no restriction under the applicable laws of the relevant jurisdiction or requirements of the relevant regulatory body or stock exchange that would limit or restrict the Open Offer and the sending of the Prospectus and the Prospectus Documents to Shareholders with registered addresses in the PRC and the British Virgin Islands to receive Shares under the Open Offer. Accordingly, the Board is of the view that Shareholders with registered addresses in the PRC and the British Virgin Islands will be entitled to receive Shares under the Open Offer and are considered to be Qualifying Shareholders, and therefore the Open Offer will also be extended to the Overseas Shareholders. Further information in this connection will be set out in the Prospectus.

Overseas Shareholders should note that they may or may not be entitled to participate in the Open Offer, subject to the results of enquiries made by the Company. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Procedures in respect of the Unsubscribed Shares and the Unsubscribed Arrangements

Pursuant to Rule 7.26A(2) of the Listing Rules, as the Underwriter, being a substantial shareholder, shall act as the underwriter of the Open Offer, the Company must make arrangements as stipulated in Rule 7.26A(1)(b) of the Listing Rules to dispose of any Unsubscribed Shares by offering such Unsubscribed Shares to independent placees for the benefit of the relevant No Action Shareholders.

Any Unsubscribed Shares (which comprise (i) the fractional Open Offer Shares aggregated as mentioned above; (ii) the Open Offer Shares that are not subscribed by the

Qualifying Shareholders; and/or (iii) Open Offer Shares which would otherwise have been in the assured allotments of the Non-Qualifying Shareholders) will be first placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties, and if not successfully placed out, will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

In order to comply with the Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Shares at the Placing Price. Any unplaced Unsubscribed Shares will then be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Principal terms of the Placing Agreement

Placing Agent:	Metaverse Securities Limited
Placing commission:	2.5% of the gross proceeds from the subscription of the Unsubscribed Shares successfully placed by the Placing Agent as at the date of Open Offer Completion
Placing Price:	Not less than HK\$0.15 per Unsubscribed Share
Placing Period:	The Placing Period will commence on 15 April 2024 and end on 16 April 2024 or such other dates as the Company may announce, being the period during which the Placing Agent will conduct the Placing.
Placee(s):	<p>The Unsubscribed Shares are expected to be placed to investors, who/which will be professional, institutional, corporate and/or individual investors selected and procured by or on behalf of the Placing Agent on a best effort basis. The Placing Agent will, on a best effort basis, ensure that these placees (or as the case may be, their ultimate beneficial owner(s)) will be Independent Third Parties.</p> <p>For the avoidance of doubt, no placee will become a substantial shareholder.</p>

Conditions of the Placing Agreement

The Placing is conditional upon the fulfilment or waiver, where permitted, of the following conditions precedent:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Open Offer Shares;
- (ii) none of the representations, warranties or undertakings contained herein being or having become untrue, inaccurate or misleading in any material respect at any time before Completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

Termination of the Placing Agreement

In the event the any conditions precedent above is not fulfilled on or before the Latest Time for Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereto shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breach under the Placing Agreement prior to such termination.

The Placing Agent will, on a best efforts basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties for all (or as many as possible) of the Unsubscribed Shares.

The Placing Agent confirms that it is an Independent Third Party, and that there is no other arrangement, agreement, understanding or undertaking with the Underwriter in relation to the Shares. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Company's Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Because the Company has put in place the above Unsubscribed Arrangements as required by Rule 7.26A(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Open Offer as stipulated under Rule 7.26A(1)(a) of the Listing Rules.

Share certificates for the Open Offer Shares

Subject to fulfilment of the conditions of the Open Offer and to its proceeding, share certificates for the fully-paid Open Offer Shares are expected to be posted by Friday, 19 April 2024 to those entitled thereto by ordinary post at their own risks. If the Open Offer is terminated, refund cheques are expected to be despatched on or before Friday, 19 April 2024 by ordinary post at the respective Shareholders' own risk.

Application for listing of the Open Offer Shares

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Open Offer Shares on the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, the Open Offer Shares on the Stock Exchange, the Open Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Open Offer Shares on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stock brokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Open Offer Shares will be subject to the payment of stamp duty and other applicable fees and charges in Hong Kong.

IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, the Undertaking Providers are interested in an aggregate of 258,367,381 Shares (representing approximately 32.30% of the entire issued share capital of the Company as at the Latest Practicable Date).

Pursuant to the Irrevocable Undertakings, the Undertaking Providers have irrevocably undertaken to the Company (i) to apply and pay for or to procure their respective associates (as defined under the Listing Rules) to apply and pay for all Open Offer Shares which will be in the assured allotment of Open Offer Shares in respect of the 258,367,381 Shares beneficially owned by them; (ii) that they will remain to be the beneficial owners of the 258,367,381 Shares at the close of business on the Record Date; (iii) to procure that the application for the Open Offer Shares will be lodged with the Registrar or the Company, in accordance with the terms of the Prospectus Documents, provided that the Whitewash Waiver having been granted by the Executive prior to the Posting Date and not having been revoked or withdrawn; and (iv) that they will not, and will procure their respective associates that they will not, without first having obtained prior written consent of the Company transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share (except the application of the Open Offer Shares under the assured allotment of the Open Offer Shares under the Open Offer) or any interest therein between the date of the Irrevocable Undertakings and the Record Date.

THE UNDERWRITING ARRANGEMENT FOR THE OPEN OFFER

Principal terms of the Underwriting Agreement

Date: 28 December 2023

Parties: (i) The Company; and
(ii) The Underwriter, being the underwriter to the Open Offer

The Underwriter is a substantial shareholder of the Company which beneficially holds 130,457,399 Shares, representing approximately 16.31% of the entire issued share capital of the Company as at the Latest Practicable Date. As such, the Underwriter complies with Rule 7.19(1)(b) of the Listing Rules. The Underwriter is an investment holding company and is not engaged in the business of underwriting securities.

Number of Open Offer Shares underwritten: All such Unsubscribed Shares that have not been placed by the Placing Agent or they have been placed but the placees have not paid therefor at 4:00 p.m. on the Placing End Date

Commission: Nil

The Underwriter's obligation to make a general offer under the Takeovers Code may be triggered as a result of the acceptance by the Underwriter and/or the parties acting in concert with it of the Unsubscribed Shares allotted to them under the Open Offer when there is an undersubscription of the Open Offer. The Underwriter has applied to the Executive for the Whitewash Waiver as detailed in the section headed "Application for Whitewash Waiver" below. As disclosed in the paragraph headed "Proposed Open Offer — Conditions of the Open Offer" above, it is a condition of the Open Offer to have the Executive having granted the Whitewash Waiver to the Underwriter (and such grant not having been withdrawn or revoked).

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the fulfilment or waiver, where permitted, of the following conditions precedent:

- (i) the passing by the Independent Shareholders at the EGM of (i) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreement, the Open Offer and the transactions contemplated thereunder; and (ii) a special resolution to approve the Whitewash Waiver (at least 75% of the

Independent Shareholders at the EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code, respectively;

- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders by the Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Open Offer Shares by no later than the first day of their dealings;
- (v) compliance with the requirements under the applicable laws and regulations of Hong Kong and Cayman Islands;
- (vi) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (vii) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms; and
- (viii) the compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertakings.

None of the conditions precedent above is capable of being waived by any party to the Underwriting Agreement. If the conditions precedent above are not satisfied by the Latest Time for Termination (or such later date or dates as the Underwriter and the Company may agree in writing), the Underwriting Agreement will terminate and all liabilities of the parties to the Underwriting Agreement will terminate and, save in respect of certain provisions and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination, neither party will have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches. As at the Latest Practicable Date, none of the above conditions precedent has been fulfilled.

INFORMATION ON THE PARTIES

Information on the Group

The Group is principally engaged in the provision of integrated marketing solutions services in the PRC. The Group's integrated marketing solutions services consist of five types of marketing services, namely (i) content marketing; (ii) SaaS interactive marketing; (iii) digital marketing; (iv) public relations event planning; and (v) media advertising. Content marketing uses content as the carrier and integrates advertisements of brand customers into various events and videos to achieve marketing purposes. It can be divided into two broad categories: event content marketing and digital content marketing. Among event content marketing, sports content marketing relies on sports events such as marathons and street dancing for marketing purposes.

Information on the Underwriter and Mr. Liu

The Underwriter is an investment holding company incorporated in the British Virgin Islands on 28 May 2021 and is wholly-owned by Mr. Liu. It is one of the Controlling Shareholders. Mr. Liu is the founder, chairman of the Board, chief executive officer, executive Director, one of the Controlling Shareholders and the spouse of Ms. Qu.

It is the intention of the Underwriter and Mr. Liu to continue carrying on the principal businesses of the Group and to continue the employment of the employees of the Group, and they have no intention to introduce any major changes to the businesses of the Group including redeployment of the fixed assets of the Group.

Information on the Placing Agent

Metaverse Securities Limited, being the Placing Agent, is corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

Use of proceeds

The gross proceeds from the Open Offer are expected to be approximately HK\$60.0 million. The net proceeds from the Open Offer after deducting related expenses are estimated to be approximately HK\$57.76 million. The net price per Open Offer Share is expected to be approximately HK\$0.144. The Company intends to apply the net proceeds from the Open Offer as follows:

- (i) approximately HK\$51.98 million for purchasing media resources, in particular, the online traffic from TikTok for the Group's customers to place advertisements via the new TikTok distribution channel (the "**TikTok Distribution Channel**"), and promotion of the TikTok Distribution Channel; and
- (ii) approximately HK\$5.78 million as general working capital of the Company.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 14 December 2023 in relation to the discloseable transaction relation to the formation of a joint venture and the change in use of proceeds from the Global Offering (the “**Net Proceeds**”). As stated in the Announcement, approximately HK\$84.8 million originally allocated for scaling up the Group’s IP contents portfolio and expanding its integrated marketing solutions business had already been fully utilised as at 30 November 2023, and the Group has decided to re-allocate approximately HK\$34.2 million of the unutilised Net Proceeds to expand its IP content portfolio and its integrated marketing solutions business (the “**Re-allocated Unutilised Proceeds**”).

As at the Latest Practicable Date, the Re-allocated Unutilised Proceeds had not been utilised. In March 2023, to strengthen its cooperation with the leading media platform, TikTok, the Group has entered into a strategic partnership with TikTok to launch the TikTok Distribution Channel to become the first-tier agent of TikTok. As a result, the Group’s revenue from its integrated marketing services, in particular, the digital marketing services has been growing steadily since the first half of 2023. Since the launch of the TikTok Distribution Channel, the Group has been receiving positive feedback and recognition from its customers, and has received an unexpected surge in the number of orders from its customers for placing advertisements through such channel, exceeding the expectation of the management of the Company. Based on the operational data of the Group for the nine months ended 30 November 2023, the number of orders received by the Group in respect of utilising the TikTok Distribution Channel has been growing exponentially with orders amounted to approximately RMB72.2 million received on average per month. In particular, for the three months ended 30 November 2023, the Group had received orders amounting to approximately RMB100.0 million on average each month from its customers for advertising via such channel. To cater such substantial and persistent demand from the Group’s customers, the Company intends to purchase additional advertising resources from TikTok, in particular, its online traffic (i.e. number of visits by TikTok users to be directed to designated advertisements/websites via the TikTok Distribution Channel). The TikTok Distribution Channel provides online traffic based on the preferences or needs of TikTok users with reference to their activities on the TikTok platform, and allows advertisements placed by the Group’s customers, utilising TikTok’s online traffic, to appear and be suggested to TikTok users, such that advertisements would be able to reach their target audience, and the TikTok users would be directed to the websites as designated by the Group’s customers. In view of the successful debut of the TikTok Distribution Channel, the Company also sees a promising prospect of the TikTok Distribution Channel and expects the TikTok Distribution Channel business to continue to grow, and thus intends to invest more marketing efforts in promoting the TikTok Distribution Channel to accelerate the development of such channel so as to capitalise on the prevailing market trend.

Further, as stated in the Announcement, the Company, through its indirect wholly-owned subsidiary, Xiamen Instant Interactive, has entered into a cooperation agreement with Shanghai Yuzheng on 14 December 2023 in relation to the formation of a joint venture company (the “**JV Company**”), pursuant to which, among others, Xiamen Instant Interactive has committed to make a capital contribution of RMB47 million in cash to the JV Company. According to the aforesaid agreement, such capital contribution has to be made by Xiamen Instant Interactive by May 2024. In view of such existing obligation of

making capital contribution to the JV Company, the Company has decided to re-allocate approximately HK\$51.6 million of the unutilised Net Proceeds to the establishment of the JV Company to satisfy such imminent funding need instead of re-allocating such portion of unutilised Net Proceeds to the development of the TikTok Distribution Channel business, which has been financed by the Group's internal resources and bank borrowings.

In light of the above, to capture the unexpected escalating demand for the digital marketing services of the Group mainly attributable to the launch of the TikTok Distribution Channel earlier this year, especially the plan to form such strategic partnership with TikTok, and thus the launch of such channel was not emerged at the time when the Company was formulating its future plans and use of proceeds as set out in the prospectus of the Company dated 28 October 2022, the Directors are of the view that it is justifiable for the Group to allocate a substantial amount of net proceeds from the Open Offer to further invest resources in such business segment in addition to the Re-allocated Unutilised Proceeds to fuel the expected growth of the Group's business in light of the emerging trend of utilising prevailing online marketing tools, including TikTok, in the PRC.

Save as disclosed above, as at the Latest Practicable Date, the Company had no intention and was not in the course of any discussion or negotiation to conduct any further fundraising activities for the development of the TikTok Distribution Channel. However, the Board cannot rule out the possibility that the Company will conduct further fundraising exercises when suitable fundraising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

Alternative fundraising methods

The Company has considered alternative fundraising methods which included debt financing, placing of new Shares and rights issue. The Board is of the view that debt financing would result in additional finance costs and increase the Group's liabilities burden. The Board also considers that debt financing is not an appropriate option to obtain additional funds. The Board is also of the view that placing of new Shares (i) would only be available to certain placees who may not necessarily be existing Shareholders and would dilute the shareholding of existing Shareholders; and (ii) may raise funds in a relatively larger size in light of the funding needs set out above.

Although a rights issue, as compared to an open offer, can provide an additional option to those Shareholders who do not wish to take up their entitlements by selling their entitled nil-paid rights, the Board is of the view that a rights issue involving the trading of nil-paid rights would incur extra administrative work and cost on the part of the Company for preparation, printing, posting and processing of trading arrangements in relation to the nil-paid rights. The Company will also incur additional resources to administer the trading of the nil-paid rights including communication between the Company and other parties, such as the Registrar or financial printer engaged by the Company. In addition, since the average daily trading volume of the Shares over the past

six months of 2023 had been relatively low, there would be a relatively high uncertainty of the existence of an active market to trade the nil-paid rights. Having considered the extra administrative work and additional cost to be involved in the trading arrangements of nil-paid rights and in view of the aforesaid relatively inactive historical trading volumes of the Shares, the Board considers that raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

In view of the above, the Directors do not consider that debt financing or equity fundraising methods by way of placing of new shares or rights issue would be in the overall interests of the Company and its Shareholders. The Directors consider the Open Offer to be an appropriate method to raise the necessary funding which will provide all Qualifying Shareholders the right to participate in the new share issue by the Company in proportion to their shareholding in the Company should they wish to do so. It is prudent to finance the Group's long-term business development by long-term financing, in the form of Open Offer which will not increase the Group's finance costs.

The Board believes that it would be in the interest of the Company to raise equity funding via the Open Offer to facilitate long-term development of the Group and to save financial costs to be incurred for the Company's funding needs. In addition, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Shareholders (other than the Non-Qualifying Shareholders) to participate in the growth of the Company in proportion to their shareholdings.

Having considered the above, the Directors (excluding the members of the Independent Board Committee whose view have been set out in the "Letter from the Independent Board Committee" of this circular after having reviewed the advice from the Independent Financial Adviser) consider that the terms of the Open Offer are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUNDRAISING EXERCISE IN THE PRECEDING TWELVE-MONTH PERIOD

The Company has not conducted any fundraising activity in the past twelve months immediately preceding the Latest Practicable Date.

EFFECT OF THE OPEN OFFER ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

	(i) As at the Latest Practicable Date		(ii) Immediately upon the Open Offer Completion assuming full acceptance by all Qualifying Shareholders under the Open Offer		(iii) Immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Underwriter, Mr. Liu and the parties acting in concert with them) under the Open Offer; and (b) all the Unsubscribed Shares were placed to Independent Third Parties under the Unsubscribed Arrangements		(iv) Immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Underwriter, Mr. Liu and the parties acting in concert with them) under the Open Offer; and (b) no Independent Third Parties took up the Unsubscribed Shares such that all the Unsubscribed Shares were taken up by the Underwriter	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
The Underwriter ^{(1), (3)}	130,457,399	16.31	195,686,099	16.31	195,686,099	16.31	466,502,408	38.88
Xiamen Dream Future ^{(2), (3)}	126,330,885	15.79	189,496,328	15.79	189,496,328	15.79	189,496,328	15.79
Many Idea Qushuo ^{(3), (4)}	1,579,097	0.20	2,368,645	0.20	2,368,645	0.20	2,368,645	0.20
Subtotal	258,367,381	32.30	387,551,072	32.30	387,551,072	32.30	658,367,381	54.87
<i>Directors⁽⁵⁾</i>								
Mr. Chen Shancheng ⁽⁶⁾	15,119,887	1.89	22,679,830	1.89	15,119,887	1.26	15,119,887	1.26
Mr. Chen Zeming ⁽⁷⁾	1,963,278	0.25	2,944,917	0.25	1,963,278	0.16	1,963,278	0.16
Subtotal (the Underwriter, Mr. Liu, the parties acting in concert with them and Directors)	275,450,546	34.44	413,175,819	34.44	404,634,237	33.72	675,450,546	56.29
Independent placees	-	-	-	-	270,816,309	22.57	-	-
Other public Shareholders	524,549,454	65.56	786,824,181	65.56	524,549,454	43.71	524,549,454	43.71
Total	800,000,000	100.00	1,200,000,000	100.00	1,200,000,000	100.00	1,200,000,000	100.00

Notes:

1. The Underwriter is an investment holding company beneficially and wholly owned by Mr. Liu. Under the Takeovers Code, Mr. Liu is a party acting in concert with the Underwriter by virtue of his shareholding in the Underwriter. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Underwriter.
2. Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
3. Mr. Liu is the spouse of Ms. Qu. Each of Mr. Liu and Ms. Qu is deemed to be interested in the Shares held by one another by virtue of the SFO.
4. Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.
5. Save as disclosed in this table, no other Director held Shares as at the Latest Practicable Date.
6. Under the Takeovers Code, Mr. Chen Shancheng is a director of the Company and is presumed to be acting in concert with the Underwriter under class (6) of the definition of “acting in concert”.
7. Under the Takeovers Code, Mr. Chen Zeming is a director of the Company and is presumed to be acting in concert with the Underwriter under class (6) of the definition of “acting in concert”.

As illustrated above, if no Qualifying Shareholders take up the Open Offer Shares and no Unsubscribed Shares can be placed to independent placees, upon the Open Offer Completion, (i) the shareholding of the existing public Shareholders would be reduced from approximately 65.56% as at the Latest Practicable Date to approximately 43.71% of the enlarged issued share capital of the Company, and (ii) the shareholding of the Underwriter, Mr. Liu and the parties acting in concert with them would be increased from approximately 32.30% as at the Latest Practicable Date to approximately 54.87%.

The Underwriter has undertaken to the Company under the Underwriting Agreement that if the subscription for the Unsubscribed Shares by the Underwriter pursuant to the Underwriting Agreement will result in insufficient public float of the Company within the meaning of the Listing Rules, the Underwriter will, subject to compliance with the Takeovers Code, take all appropriate steps including but not limited to the engagement of a placing agent to procure subscribers (who are Independent Third Parties) to subscribe for the Shares which would otherwise be required to be taken up by the Underwriter under the Underwriting Agreement in order to restore the minimum public float requirement of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR THE WHITEWASH WAIVER

As at the Latest Practicable Date, the Underwriter and its beneficial owner, Mr. Liu, together with the parties acting in concert with any of them beneficially owned in aggregate 258,367,381 Shares, representing approximately 32.30% of the entire issued share capital of the Company.

Assuming (i) there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of close of the Open Offer; (ii) none of the Qualifying Shareholders other than the Underwriter, Mr. Liu and the parties acting in concert with them have taken up their entitlements under the Open Offer; and (iii) none of the Unsubscribed Shares have been taken up under the Unsubscribed Arrangement, the interests in the Company held by the Underwriter, Mr. Liu and the parties acting in concert with them upon the close of the Open Offer will increase from the current level of approximately 32.30% to approximately 54.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Open Offer Shares. The Underwriter and Mr. Liu will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code.

An application has been made by the Underwriter and Mr. Liu to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, among other things, the approval by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll, and the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder would be subject to, among others, the approval by more than 50% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll, respectively.

If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders, and assuming no Open Offer Shares are taken up by the Qualifying Shareholders (other than those to be taken up by the Underwriter pursuant to the Underwriting Agreement) and no Unsubscribed Shares are successfully placed under the Unsubscribed Arrangements, **the shareholding of the Underwriter and parties acting in concert with it in the Company will exceed 50%. The Underwriter and parties acting in concert with it may increase their shareholding without incurring any further obligation under Rule 26 of the Takeovers Code to make a general offer for the securities of the Company.**

As at the Latest Practicable Date, the Company believed that the Open Offer would not give rise to any concern in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Open Offer, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder and the Whitewash Waiver do not comply with other applicable rules and regulations.

The Directors (excluding the non-executive Director and independent non-executive Directors whose view have been set out in the "Letter from the Independent Board Committee" of this circular after having reviewed the advice from the Independent Financial Adviser) consider that the Whitewash Waiver is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Underwriter, Mr Liu, parties acting in concert with any of them (including the Undertaking Providers and those by virtue of the class (6) presumption under the

definition of “acting in concert” under the Takeovers Code (i.e. Mr. Chen Shancheng and Mr. Chen Zeming)) and those who are involved in or interested in the Open Offer, the Underwriting Agreement and the Whitewash Waiver will abstain from voting on the proposed resolutions approving the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder under the Takeovers Code. Save as aforesaid, no other Shareholder is required to abstain from voting in favour of the proposed resolutions approving the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder at the EGM.

LISTING RULES IMPLICATIONS

Open Offer

As the Open Offer Shares are not issued pursuant to the general mandate of the Company, in accordance with Rule 7.24A(1) of the Listing Rules, among other things, the Open Offer must be made conditional on approval by the Independent Shareholders at the EGM and, pursuant to Rule 7.27A(1) of the Listing Rules, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (other than the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Open Offer. As such, Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo as a group of Controlling Shareholders of the Company and their respective associates shall abstain from voting in favour of the resolutions to approve the Open Offer at the EGM.

Connected transactions in relation to the Underwriting Agreement

As at the Latest Practicable Date, the Underwriter (which is wholly owned by Mr. Liu) owned 130,457,399 Shares, representing approximately 16.31% of the number of Shares in issue. The Underwriter is a substantial shareholder of the Company and therefore a connected person of the Company. Accordingly, the transaction contemplated under the Underwriting Agreement constitutes a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Underwriter and its associates will abstain from voting in favour of the resolution(s) in relation to the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

DIRECTORS’ INTERESTS IN THE OPEN OFFER, THE UNDERWRITING AGREEMENT AND THE WHITEWASH WAIVER

As (i) the Underwriter is wholly-owned by Mr. Liu, an executive Director and the chief executive officer of the Company, and (ii) in addition to her capacity as an executive Director, Ms. Qu, as the spouse of Mr. Liu, is an associate of Mr. Liu, as at the Latest Practicable Date, Mr. Liu and Ms. Qu are considered to have material interests in the Open Offer and the Underwriting Agreement. As such, Mr. Liu and Ms. Qu have abstained from voting on the board resolutions to approve the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder. Save for Mr. Liu

and Ms. Qu, none of the Directors hold any Shares or has any material interest in the Open Offer, the Underwriting Agreement, the Whitewash Waiver and/or the transactions contemplated thereunder.

GENERAL

Independent Board Committee

An Independent Board Committee, comprising the non-executive Director and all independent non-executive Directors, namely Ms. Liu Hong, Ms. Wang Yingbin, Ms. Wong Yan Ki, Angel, Mr. Tian Tao and Ms. Xiao Huilin, in compliance with Rule 2.8 of the Takeovers Code, has been established to advise the Independent Shareholders as to whether the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and whether the Open Offer, the Underwriting Agreement and the Whitewash Waiver are in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

Independent Financial Adviser

Rainbow Capital (HK) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and to advise the Independent Shareholders on how to vote. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

EGM

The EGM will be held by the Company at 12/F, ERKE Group Mansion, 11 Hualien Road, Siming District, Xiamen, the PRC, on 8 March 2024 at 10:00 a.m. at which two resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver and the transactions contemplated thereunder. The resolution in relation to the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder requires the approval by at least 50% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll, whereas the resolution in relation to the Whitewash Waiver requires the approval by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll. A notice convening the EGM is set forth on pages 109 to 112 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less

than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

The Underwriter, Mr Liu, and parties acting in concert with any of them (including the Undertaking Providers, Mr. Chen Shancheng and Mr. Chen Zeming) who are involved in or interested in the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver will abstain from voting on the resolutions to approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver at the EGM. The total number of Shares which is required to abstain from voting on the resolutions to approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver at the EGM is approximately 275,450,546, representing approximately 34.44% of the total number of issued Shares of the Company as at the Latest Practicable Date.

In accordance with the Listing Rules and the Takeovers Code, the resolution(s) (i) in relation to the Whitewash Waiver is required to be approved by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll; and (ii) in relation of the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder is required to be approved by more than 50% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the EGM by way of poll. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, all the proposed resolutions will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

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

RECOMMENDATIONS

The Directors (excluding the members of the Independent Board Committee whose view have been set out in the "Letter from the Independent Board Committee" of this circular after having reviewed the advice from the Independent Financial Adviser) consider that the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

WARNING OF THE RISKS OF DEALING IN THE SHARES

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT THE OPEN OFFER IS CONDITIONAL UPON, AMONG

OTHERS, CONDITIONS PRECEDENT AS SET OUT IN SECTION HEADED “CONDITIONS OF THE OPEN OFFER” ABOVE. ACCORDINGLY, THE OPEN OFFER MAY OR MAY NOT PROCEED.

ANY DEALINGS IN THE SHARES FROM THE DATE OF THIS CIRCULAR UP TO THE DATE ON WHICH ALL THE CONDITIONS OF THE OPEN OFFER ARE FULFILLED WILL BEAR THE RISK THAT THE OPEN OFFER MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE IN CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 36 and 37 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM and the letter from the Independent Financial Adviser set out on pages 38 to 72 of this circular which contains its advice to the Independent Board Committee and Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

Your attention is also drawn to the additional information set out in the appendices to this circular.

By order of the Board
Many Idea Cloud Holdings Limited

A handwritten signature in black ink, appearing to be 'Liu Jianhui', written in a cursive style.

Liu Jianhui
Chairman of the Board