
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 Many Idea Cloud Holdings Limited, you should at once hand this circular and the accompanying 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.

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



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)

(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND

(II) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

Placing Agent

 一盈證券有限公司
I WIN SECURITIES LTD.

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

 **FIRST**

First Global Corporate Finance Co., Limited

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

A letter from the Board is set out on pages 10 to 44 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 45 to 46 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-41 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on Monday, 20 October 2025 on 12/F, ERKE Group Mansion, 11 Guanyin Shan Hualian Road, Siming District, Xiamen Fujian Province, the PRC, is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions set out in the section headed "Letter from the Board — Conditions of the Rights Issue" in this circular. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Places under the Compensatory Arrangements. The Placing Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

Hong Kong, 26 September 2025

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DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Listing Rules
“Announcement”	the announcement of the Company dated 4 September 2025 in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies Registry”	Companies Registry of Hong Kong
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Many Idea Cloud Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 10 June 2021, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 6696)
“Compensatory Arrangements”	arrangements to place the Unsubscribed Shares and NQS Unsold Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case maybe, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.26A(1)(b) of the Listing Rules
“connected person”	has the same meaning ascribed thereto under the Listing Rules

DEFINITIONS

“controlling shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder

DEFINITIONS

“Independent Financial Adviser”	First Global Corporate Finance Co., Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholders other than those who are involved or have interests in the Rights Issue, the Placing Agreement and the transactions contemplated thereunder and are required under the Listing Rules to abstain from voting at the EGM
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
“Irrevocable Undertakings”	the irrevocable undertakings executed by the Controlling Shareholders, pursuant to which the Controlling Shareholders irrevocably undertook to the Company, among others, that the assured entitlements to the Rights Shares of the Controlling Shareholders, will be taken up in full
“Last Trading Day”	4 September 2025, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	24 September 2025, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Latest Time for Acceptance”	4:00 p.m. on Monday, 17 November 2025 (or such other time and date as may be determined by the Company,) being the latest time for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	5:00 p.m. on Tuesday, 2 December 2025 (or such later time or date as may be agreed between the Placing Agent and the Company), being the latest time to terminate the Placing Agreement
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Many Idea Liujianhui”	Many Idea Liujianhui Limited, a company incorporated under the laws of British Virgin Islands on 28 May 2021 with limited liability, which was wholly owned by Mr. Liu

DEFINITIONS

“Many Idea Qushuo”	Many Idea Qushuo Limited, a company incorporated under the laws of the British Virgin Islands on 27 May 2021 with limited liability, which was wholly owned by Ms. Qu
“Mr. Liu”	Mr. Liu Jianhui (劉建輝), the executive Director and the spouse of Ms. Qu
“Ms. Qu”	Ms. Qu Shuo (曲碩), the executive Director and the spouse of Mr. Liu
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Issue (whether partially or fully) (under the PAL or their renounces or such person who hold any nil-paid rights at the time such nil-paid rights are lapsed) or Excluded Shareholders (as the case may be)
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil- paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	arrangements to place the Unsubscribed Shares and NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“Placing Agent”	I Win Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity, which will place the Unsubscribed Shares and NQS Unsold Rights Shares to investors who are Independent Third Parties under the Compensatory Arrangements
“Placing Agreement”	the placing agreement dated 4 September 2025 entered into between the Company and the Placing Agent in relation to the Placing

DEFINITIONS

“Placing Period”	the period from Tuesday, 25 November 2025 up to 4:00 p.m. on fifth (5th) business day after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares, being Monday, 1 December 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
“Placing Price”	not less than HK\$0.4753 per Unsubscribed Share
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be despatched by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Monday, 3 November 2025 (or such other date as may be determined by the Company), being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Friday, 31 October 2025, the record date for the determination of the entitlements under the Rights Issue
“Registrar”	Computershare Hong Kong Investor Services Limited, the address of which is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong
“Rights Issue”	the proposed issue by way of rights of six (6) Rights Shares for every one (1) Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions to be set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this circular

DEFINITIONS

“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue, being 576,000,000 Shares (assuming no other change in the number of issued Shares from the Latest Practicable Date up to and including the Record Date)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of HK\$0.002 each
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.4753 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Unsubscribed Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Excluded Shareholders (as the case may be)
“Xiamen Dream Future”	Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership)* (廈門市湖里區夢想未來投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 10 July 2015, which was owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu
“ZJJ Many Idea”	Zhangjiajie Lejian Many Idea Network Technology Centre (Limited Partnership)* (張家界樂見多想網絡科技中心(有限合夥)), a limited partnership established under the laws of the PRC on 4 March 2021 which was owned as to 99% by Mr. Liu and 1% by Ms. Qu
“%”	per cent

** for identification purpose only*

EXPECTED TIMETABLE

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Rights Issue. The expected timetable is subject to the results of the EGM and the satisfaction of the conditions to the Rights Issue and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to the Hong Kong local times and dates.

Events	Hong Kong Date and Time 2025
Latest time for lodging transfer documents of the Shares in order to be qualified for attendance and voting at the EGM	4:30 p.m. on Monday, 13 October
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Tuesday, 14 October to Monday, 20 October
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	10:00 a.m. on Saturday, 18 October
Record date for determining attendance and voting at the EGM	Monday, 20 October
Expected date and time of EGM to approve the Rights Issue	10:00 a.m. on Monday, 20 October
Announcement of the poll result of the EGM	Monday, 20 October
Register of members of the Company re-opens	Tuesday, 21 October
Last day of dealings in the Shares on a cum-rights basis relating to the Rights Issue.	Tuesday, 21 October
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue.	Wednesday, 22 October
Latest time for the Shareholders to lodge transfer documents of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Thursday, 23 October

EXPECTED TIMETABLE

Events	Hong Kong Date and Time 2025
Closure of register of members to determine the eligibility of the Rights Issue (both days inclusive)	Friday, 24 October to Friday, 31 October
Record date for the Rights Issue	Friday, 31 October
Register of members of the Company re-opens	Monday, 3 November
Despatch of the Prospectus Documents (including the PAL and Prospectus) (in case of the Excluded Shareholders, the Prospectus only)	Monday, 3 November
First day of dealings in nil-paid Rights Shares	Wednesday, 5 November
Latest time for splitting the PAL	4:30 p.m. on Friday, 7 November
Last day of dealings in nil-paid Rights Shares	Wednesday, 12 November
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 17 November
Announcement of the number of the Unsubscribed Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Monday, 24 November
Commencement of placing of the Unsubscribed Shares and NQS Unsold Rights Shares by the Placing Agent, on best effort basis	Tuesday, 25 November
Latest time for placing the Unsubscribed Shares and NQS Unsold Rights Shares	4:00 p.m. on Monday, 1 December
Latest Time for the termination of the Placing Agreement	5:00 p.m. on Tuesday, 2 December
Announcement of results of the Rights Issue (including results of the Placing and the Net Gain per Unsubscribed Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Tuesday, 9 December
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated)	Wednesday, 10 December

EXPECTED TIMETABLE

Events	Hong Kong Date and Time 2025
Commencement of dealings in fully-paid Rights Shares.	Thursday, 11 December
Designated broker commences to provide matching services for odd lots of Shares	Thursday, 11 December
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any).	Wednesday, 17 December
Designated broker ceases to provide matching services for odd lots of Shares	12:00 p.m. on Wednesday, 24 December

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if:

- (i) tropical cyclone warning signal No. 8 (or above);
- (ii) “extreme conditions” as announced by the Government of the Hong Kong Special Administrative Region; or
- (iii) a “black” rainstorm warning
 - (a) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (b) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “Expected Timetable” above may be affected. Announcement will be made by the Company in such event. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.



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
Ms. Qu Shuo
Mr. Chen Shancheng
Mr. Chen Zeming
Ms. Liu Hong

Independent non-executive Directors:

Ms. Wang Yingbin
Ms. Zhou Yan
Mr. Tian Tao

Registered office in the Cayman Islands:

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

Principal place of business in Hong Kong:

18/Floor, 9 Queen's Road Central
Central
Hong Kong

Headquarter in the PRC:

12/F, ERKE Group Mansion
11 Guanyin Shan
Hualian Road
Siming District, Xiamen
Fujian Province, PRC

26 September 2025

To the Shareholders

Dear Sir/Madam,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
SIX (6) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD
ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; and (iv) a notice convening the EGM for the purpose of considering and, if thought fit, approving, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue with the terms set out as follows:

Issue statistics

Basis of the Rights Issue:	Six (6) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.4753 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue):	Approximately HK\$0.4725 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	96,000,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	up to 576,000,000 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Aggregate nominal value of the Rights Shares:	up to HK\$1,152,000 (assuming no Shares are issued or repurchased on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue:	up to 672,000,000 Shares (assuming no Shares are issued or repurchased on or before the Record Date)

LETTER FROM THE BOARD

Gross proceeds from the Rights Issue:	up to approximately HK\$273.8 million before expenses (assuming no Shares are issued or repurchased on or before the Record Date)
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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 or issue or grant any options, warrants or other convertible securities which confer any right to convert into or subscribe for Shares on or before the Record Date.

Assuming no Shares are issued or repurchased on or before the Record Date, the 576,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 600.0% of the total number of issued Shares and approximately 85.7% of the total number of issued Shares as enlarged by the issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Unsubscribed Shares together with the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements on a best effort basis. Any Unsubscribed Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

Prior to proceeding with the Rights Issue on a non-underwritten basis, the Company had explored the viability of an underwritten rights issue. The Company has made references to the recent three months rights issues conducted by listed companies on the Stock Exchange, among 19 cases, only 1 was conducted on fully underwritten basis. The Company has also approached several securities firms to arrange underwriting services in respect of the Rights Issue, but none of them expressed an interest in underwriting the proposed Rights Issue. As such, the Board decided to conduct the Rights Issue on a non-underwritten basis.

The Board understands that in the event the Unsubscribed Shares and the NQS Unsold Rights Shares are fully-underwritten, the underwriting commission charged by independent underwriter is generally much higher than the commission charged for placing on a best effort basis. Despite the fact that there is no guarantee for the minimum amount to be raised by the Rights Issue under the non-underwritten basis, the Placing Agent will place any Unsubscribed Shares together with the NQS Unsold Rights Shares on a best effort basis to the independent placees. In view of the above and having considered (i) the higher underwriting fees and commission to be incurred in underwriting arrangement will be considered additional costs and expenses borne by the Company which will reduce the net

LETTER FROM THE BOARD

proceeds of the Rights Issue; and (ii) the Placing arrangement in place, the Board considers that the Rights Issue on a non-underwritten basis is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or result in the Company's non-compliance of the Public Float Requirement of the Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and (ii) does not result in the non-compliance of the Public Float Requirement. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

The Irrevocable Undertakings

As at the Latest Practicable Date, the Board has received from the controlling shareholders of the Company, namely Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo (collectively, the “**Controlling Shareholders**”) who in aggregate holding 16,257,279 Shares (representing approximately 16.93% of the issued share capital of the Company as at the Latest Practicable Date). Pursuant to the Irrevocable Undertakings, the Controlling Shareholders have provided irrevocable and unconditional undertakings to the Company to, among other things, (i) accept, or procure the Controlling Shareholders to accept their entitlements to the provisional allotment of an aggregate of 97,543,674 Rights Shares; and (ii) not to sell or transfer the Shares held by themselves in any manner before the completion or lapse of the Rights Issue. As at the Latest Practicable Date, save for the Controlling Shareholders, the Company does not have any other substantial Shareholder and the Board has not received any indication from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

The Subscription Price

The Subscription Price of HK\$0.4753 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 27.98% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM THE BOARD

- (ii) a discount of approximately 22.08% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 24.56% to the average closing price 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\$0.63;
- (iv) a discount of approximately 26.88% to the average closing price 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\$0.65;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 20.63% represented by the theoretical diluted price of approximately HK\$0.50 to the benchmarked price of approximately HK\$0.63 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.61 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\$0.63 per Share);
- (vi) a discount of approximately 4.94% to the theoretical ex-rights price of approximately HK\$0.50 per Share based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vii) a discount of approximately 91.29% to the consolidated net asset value per Share attributable to the Shareholders as at 31 December 2024 of approximately HK\$5.46 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately RMB481.0 million (equivalent to approximately HK\$524.3 million based on the exchange rate of RMB1: HK\$1.09) as set out in the annual report of the Company for the year ended 31 December 2024 and 96,000,000 Shares in issue as at the Latest Practicable Date; and
- (viii) a discount of approximately 90.53% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 of approximately HK\$5.02 calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately RMB442.0 million (equivalent to approximately HK\$481.8 million based on the exchange rate of RMB1: HK\$1.09) as set out in the interim results announcement of the Company for the six months ended 30 June 2025 and 96,000,000 Shares in issue as at the Latest Practicable Date.

The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

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The Subscription Price was determined taking into consideration (i) the recent market price of the Shares since April 2025, which presented an overall downward trend from HK\$7.43 per Share on 3 April 2025 to HK\$0.61 on the Last Trading Day; (ii) the prevailing market conditions in Hong Kong taking into consideration the rather cautious investment sentiment of the general public investors in Hong Kong amid economic uncertainties; (iii) the low trading volume of the Shares for the three months immediately preceding the Last Trading Day with the average daily trading volume of approximately 1,530,589 Shares, representing approximately 1.59% of the total number of issued Shares as at the Last Trading Day; and (iv) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed “Letter from the Board — Reasons for and benefits of the Rights Issue and the use of proceeds” in this circular. The Directors consider that the Rights Issue will provide the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group and the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to take up their entitlements, thereby minimising possible dilution impact.

The Directors consider that it is reasonable to set the Subscription Price at a discount to the prevailing market price and the consolidated net asset value per Share as illustrated above, taking into account that (i) based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day, the Shares have been traded at a discount of approximately 87.85% to the unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$5.02; (ii) during the three months immediately preceding the Last Trading Day, the Company’s average daily trading volume of approximately 1,530,589 Shares represented merely approximately 1.59% of the total number of issued Shares as at the Last Trading Day, which indicated a lack of liquidity and demand for the Shares; (iii) the latest business performance and financial position of the Group, particularly that the Group recorded a change from net profit of approximately RMB33.1 million for the year ended 31 December 2023 to net loss of approximately RMB185.6 million for the year ended 31 December 2024; and (iv) the relatively large fundraising size when compared with the market capitalisation of the Company as at the Last Trading Day. If the Subscription Price is set at a level close to the Company’s unaudited consolidated net asset value per Share as at 30 June 2025 (i.e. approximately HK\$5.02), it will represent a significant premium of approximately 8.23 times as compared to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day. The Directors consider that, if the Subscription Price was made with reference to the net asset value per Share, the willingness of the Shareholders to participate in the Rights Issue would be significantly reduced, which would not be favourable to the Company and the Shareholders as a whole.

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After thoroughly evaluating current market conditions and sentiment, relatively stagnant trading volume of the Shares and shareholder sentiment, the Board has determined that a discount to the current market price of the Shares, consolidated net asset value per Share as well as the benchmark price (as defined under Rule 7.27B of the Listing Rules) of the Shares would be necessary to provide adequate incentive to encourage the Shareholder and potential investors to participate in the Rights Issue, while ensuring the fundraising objectives can be met. Despite the relatively substantial theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), the Directors consider that such effect is inevitable in order to achieve fundraising objectives and incentivise the Shareholders to participate in the Rights Issue considering the lack of liquidity and relatively stagnant trading volume of the Shares as demonstrated above. In addition, the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market and the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company. Accordingly, despite the Subscription Price is priced at a discount to the current market price of the Shares, consolidated net asset value per Share and the benchmark price of the Shares as well as the substantial theoretical dilution effect, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) consider that, in view of prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are on commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK\$0.4725 per Rights Share.

Basis of provisional allotment

Under the Rights Issue, the basis of the provisional allotment will be six (6) Right Shares for every one (1) Share held by the Shareholders as at the close of business on the Record Date at the Subscription Price. Prior to determining the entitlement ratio of the Rights Issue, the Board has considered various options. Given the amount of funds the Company intends to raise under the Rights Issue for business development, the latest financial performance of the Group and the recent market price of the Shares, the Company considered the rights issue entitlement ratio of six Rights Shares for one Share is reasonable to raise necessary funds to support operation needs and strengthen capital structure. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

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If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs will be set out in the Prospectus.

Fractional provisional allotment of the Rights Shares

On the basis of the provisional allotment of six (6) Right Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue and no entitlements of the Excluded Shareholders to the Rights Shares shall be issued to the Excluded Shareholders.

Odd lot arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker will be appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share on a best effort basis. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers. Further details of the odd lot arrangement will be set out in the Prospectus.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may send copies of the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them.

To qualify for the Rights Issue, a Shareholder must be (i) registered as a member of the Company at the close of business on the Record Date; and (ii) not an Excluded Shareholder.

LETTER FROM THE BOARD

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:30 p.m. on Thursday, 23 October 2025.

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on Monday, 3 November 2025.

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Certificates of the Rights Shares and refund cheques

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent on or about Wednesday, 10 December 2025 by ordinary post to those entitled thereto, at their own risk, to their registered addresses.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing in nil-paid and fully-paid forms

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges. Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 1,000 Rights Shares.

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Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the rights shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as 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 HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

As at the Latest Practicable Date, there are a total of 25 Overseas Shareholders with registered addresses situated in the PRC and the British Virgin Islands, with the following shareholding structure:

Jurisdiction	Number of Overseas Shareholders	Aggregate number of Shares held by Overseas Shareholders in the jurisdiction	Approximate percentage of shareholdings
The PRC	11	6,889,975	7.18%
The British Virgin Islands	14	2,606,027	2.71%
Total	25	9,496,002	9.89%

Pursuant to Rule 13.36(2) of the Listing Rules, the Company has made enquiry in respect of the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory body or stock exchange in those places for the Company to extend the Rights Issue to the Overseas Shareholders. Based on the relevant legal advice on the laws of the PRC and British Virgin Islands, the Board is of the view that it is not necessary or expedient to exclude the Overseas Shareholders with the registered address in the PRC or the British Virgin Islands. In particular, under the currently effective legislations of these jurisdictions, there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to the extending of the Rights Issue by the Company to the

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Overseas Shareholders in the relevant jurisdictions, provided that such Overseas Shareholders shall comply with and fulfill the provisions of the relevant laws and regulations as well as the policies and requirements of the relevant government authorities.

Accordingly, the Rights Issue will be extended to such Overseas Shareholders in the PRC and the British Virgin Islands and there are no Excluded Shareholders for the Rights Issue as at the Latest Practicable Date. Save for the aforesaid Overseas Shareholders, all Shareholders on the Company's register of members as at the Latest Practicable Date have Hong Kong registered addresses.

The Company will continue to ascertain whether there are any other Overseas Shareholders as at the Record Date and will make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder as at the Record Date.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the relevant Excluded Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company.

Any unsold entitlement of the Excluded Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Placing to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

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Procedures in respect of the Unsubscribed Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of any Unsubscribed Shares and the NQS Unsold Rights Shares by offering such Unsubscribed Shares and the NQS Unsold Rights Shares to independent placees for the benefit of those Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated by Rule 7.21(1)(a) of the Listing Rules.

The Company appointed the Placing Agent to place the Unsubscribed Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the “**Net Gain**”) will be paid to the relevant No Action Shareholders and Excluded Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 1 December 2025, acquirers for all (or as many as possible) of those Unsubscribed Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price.

Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the relevant No Action Shareholders and Excluded Shareholders as set out below:

- (i) for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for, and where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and
- (ii) for Excluded Shareholders, the relevant Excluded Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) and Excluded Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

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CLOSURE OF REGISTER OF MEMBERS FOR EGM

The register of members of the Company will be closed from Tuesday, 14 October 2025 to Monday, 20 October 2025 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from Friday, 24 October 2025 to Friday, 31 October 2025 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

PLACING AGREEMENT

Principal terms of the Placing Agreement are as follow:

Placing Agent:

I Win Securities Limited

The Placing Agent is a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the SFO.

Placing commission:

Subject to completion of the Placing taking place, the Company shall pay a placing commission in Hong Kong dollars, of 0.2% of the amount (the “**Placing Commission**”) which is equal to the placing price multiplied by the number of the Unsubscribed Shares and the NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

Placing Price:

Not less than HK\$0.4753 per Unsubscribed Share and the NQS Unsold Rights Share.

Placing Period:

A period commencing from the first (1st) Business Day immediately after the date of announcement of the number of the Unsubscribed Shares and NQS Unsold Rights Shares (i.e. Monday, 24 November 2025 under the current timetable) and ending on 4:00 p.m. on the fifth (5th) business after the date of announcement of the number of the Unsubscribed Shares and NQS Unsold Rights Shares (both days inclusive).

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Placees:

The Unsubscribed Shares and NQS Unsold Rights Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties and not acting in concert with the Placing Agent and its concert parties.

The Placing Agent shall also ensure that the public float requirement under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue.

Ranking of the placed
Unsubscribed Shares and
NQS Unsold Rights Shares:

The placed Unsubscribed Shares and NQS Unsold Rights Shares (when allotted, issued and fully-paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.

Conditions of the Placing
Agreement:

The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:

- (i) the Rights Issue having become unconditional;
- (ii) the Company's warranties contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing;
- (iii) the Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Shares and the NQS Unsold Rights Shares with or without conditions;
- (iv) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

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- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions can be waived. In the event that the above conditions precedent have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination).

As at the Latest Practicable Date, none of the conditions have been fulfilled.

Termination:

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

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- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

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- (v) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The terms of the Placing Agreement were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate for rights issues in the market, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of the Placing Agreement are fair and reasonable and on normal commercial terms.

The Placing Agent confirms that it is an Independent Third Party. The Placing Agent will, on a best effort 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 and NQS Unsold Rights Shares.

If all or any of the Unsubscribed Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Excluded Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Shares that are not placed by the Placing Agent will not be issued by the Company. As at the Latest Practicable Date, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company. As such, the Company considers that the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. In the event of an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the fulfilment of the following conditions:

- (i) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked;
- (iv) the Independent Shareholders having approved at the EGM of the Rights Issue and the Placing Agreement no later than the Prospectus Posting Date; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof, and remaining in full force and effect.

As at the Latest Practicable Date, none of the conditions has been fulfilled. None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

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As the proposed Rights Issue is subject to the fulfilment of the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution in dealing in the securities of the Company.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and Software as a Service (the “SaaS”) interactive marketing services in the PRC.

AI-powered marketing is reshaping the Chinese marketing industry

In recent years, the Chinese marketing industry has witnessed a boom in digital advertising, especially social media, search engine optimisation and video content marketing innovations which continued to drive the industry forward. With the continuous advancement of 5G and artificial intelligence (“AI”) technology, advertising personalisation and audience targeting reached unprecedented precision. With reference to the “Research Report on AI Application Development in China’s Marketing Industry in 2024” (2024年中國營銷行業AI應用發展研究報告) issued by iResearch in 2025, the rapid advancement of marketing technologies has significantly reshaped how marketing campaigns are designed, executed, and evaluated. AI tools could (i) analyse customer data to understand preferences and behaviours, generate personalised content for targeted advertising; (ii) enable the quick and cost-effective creation of content, including text, visuals, and videos; (iii) provide 24/7 customer support and customer behaviour prediction, allowing for proactive client engagement and retention strategies; and (iv) support platforms such as data management platform and customer data platform to allow more precise audience segmentation and personalised communication, making marketing efforts more targeted and efficient. The revenue from the Chinese AI marketing services is therefore expected to increase from approximately RMB65.6 billion in 2023 to approximately RMB127.8 billion in 2030, representing a compound annual growth rate (“CAGR”) of approximately 10.0%. iResearch is an independent market intelligence provider that provides market research, information and advice to companies in various industries.

According to Frost & Sullivan, the market size of integrated marketing services industry in the PRC is expected to increase at a CAGR of approximately 9.4% from approximately RMB1,700.5 billion in 2024 to approximately RMB2,666.4 billion in 2029. Such growth is primarily driven by, among others, deep penetration and continuous innovation in digital technologies including AI, big data, short video platforms, and live-streaming e-commerce, enabling more efficient, targeted, and scalable marketing models. The future trends of the Chinese marketing services industry include, among others:

- (i) *intelligent technology-driven marketing*: technological advancement will continue to reshape the core capability structure of integrated marketing services industry. AI-generated content will become a standard tool in text, image, and video creation, significantly accelerating content production and improving personalisation. At the same time, intelligent recommendation systems, programmatic advertising, and predictive analytics will enable automation and

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closed-loop control across the marketing chain, helping brands lower labour costs and enhance targeting accuracy. In the future, integrated marketing services will evolve from multi-platform coordination to full-chain intelligent collaboration, with technology at its core, enabling a more scientific, efficient, and measurable marketing system;

- (ii) *content format innovation*: as the digital content ecosystem continues to evolve, emerging content formats such as AI-generated content (AIGC), 3D advertising, interactive video, and immersive environments are reshaping how brands communicate with users and deliver value. In response, digital advertising service providers are under growing pressure to develop full-stack capabilities that integrate creative ideation, advanced technical execution, and continuous data-based content iteration. Service providers that possess both storytelling expertise and cutting-edge production capabilities such as generative AI engines, virtual human modeling, and real-time rendering infrastructure, are better positioned to offer differentiated creative value. Looking ahead, the Directors consider that marketing service providers shall transform from solely acting as media intermediaries to becoming an integrated marketing architect, offering services from brands design to delivering cohesive, tech-enabled digital narratives across multiple formats and platforms in an increasingly fragmented content landscape; and
- (iii) *enhancing productivity empowered by AI*: this transformation enables service providers to serve a greater number of clients simultaneously while still delivering personalised experiences and maintaining high campaign performance. In addition, real-time data feedback loops allow for continuous optimisation and lower marginal service costs, thereby enhancing return on investment and operational scalability.

With reference to the prospectus of the Company dated 28 October 2022, China's marketing services market was fragmented and it was estimated that both of offline and online marketing services providers in China have exceeded 100,000. Given the competitive environment and the impact of AI technology on the PRC marketing industry as stated above, it is a trend for the marketing service providers to develop unique AI-empowered marketing products to provide tailor-made solutions to clients so as to enhance their competitiveness. For instance, BlueFocus Intelligent Communications Group Co., Ltd., one of the leading Chinese marketing service providers, has launched the "All in AI" strategy in 2023 to lead the application of AI in the marketing industry and developed Blue AI, a marketing domain-specific application engine for large language models. In 2024, its gross billing generated from AI-driven business amounted to approximately RMB1.2 billion.

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Investment and development in AI is essential for maintaining the Group’s competitiveness and enhancing the Group’s operational scalability

As AI technology continues to mature and penetrate deeper into the marketing services value chain, the Group believes that its marketing services driven by AI technology will be of great significance to complement its content and digital marketing business and for its future business development. As such, the Group intends to develop its in-house AI marketing large language model business platform (the “**AI Model**”) to support digital human live streaming, AI-assisted content generation, AI performance optimisation and automated advertisement delivery.

The Group’s commercial rationale and purpose of building the AI Model is to (i) align with the industry trends (i.e. intelligent technology-driven marketing, content format innovation and enhancing productivity empowered by AI as discussed above) in order to stay competitive and updated to the market trends; and (ii) take advantage of the market drivers of the Chinese marketing services industry for the Group’s future business growth. The rapid advancement of marketing technologies has significantly reshaped how marketing campaigns are designed, executed, and evaluated. Generative AI tools now enable the quick and cost-effective creation of content including text, visuals, and videos. This convergence of advanced technologies and diversified platforms is driving integrated marketing services toward greater precision, automation, and real-time responsiveness. Such AI Model will also equip the Group with the technical and creative adaptation capabilities which create barriers to its existing and future competitors. Automation tools require long-term expertise to optimise, and industry leaders leverage proprietary AI-driven consumer insights systems to maintain dominance. In addition, significant cultural differences across global markets make it difficult for standardized advertisement content to resonate with local audiences. To succeed, some have developed adaptive content systems, incorporating emerging technologies such as AIGC to generate personalised creative assets at scale. These capabilities enable cost-effective and scalable advertising that meets the nuanced expectations of diverse target audiences.

As the Group is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and SaaS interactive marketing services in the PRC, such AI Model will align with the Group’s principal business (i.e. the marketing services) to allow the Group to (i) fulfil the requirements of different platforms (e.g. Douyin, Kuaishou, Shipinhao and Xiaohongshu) as each platform has its own audience demographics, content formats and engagement mechanics; and (ii) serve a greater number of clients simultaneously while still delivering personalised experiences and maintaining high campaign performance.

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The Group's current management team has the relevant experience in information technology. Mr. Huang Xihuang ("Mr. Huang"), the Group's director for research and development, obtained his bachelor's degree in communication engineering in June 2003 and his master's degree in information and communication engineering in March 2006 from Zhejiang University, the PRC. He obtained a qualification certificate of senior engineer specialist in electronic engineering from Fujian Human Resources and Social Security Bureau* (福建省人力資源和社會保障廳) in October 2017. Prior to joining the Group, Mr. Huang was the research and development engineer at Xiamen Yaxon Networks Co., Ltd.* (廈門雅迅網絡股份有限公司) from April 2006 to March 2011. From June 2011 to March 2018, he was employed as a research and development engineer by Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.* (摩托羅拉移動互聯科技(廈門)有限公司) (formerly known as Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.* (聯想移動互聯科技(廈門)有限公司)). Although the Group currently has no staff with direct relevant qualification or experience in AI field, the Group intends to hire technical personnel and senior experts with deep experience in areas such as AI algorithms to strengthen the research and development and project management teams.

The Group expects to apply the AI Model across every stage of the key service flow:

- (i) *Client briefing and engagement*: the Group intends to leverage the AI Model to assist in capturing and analysing client needs, organising key inputs such as brand positioning, product and service attributes, marketing goals, and budgeting. This could facilitate the capturing and retention of clients, generation of structured client profiles and support more targeted campaign planning and budget optimisation;
- (ii) *Campaign planning*: the Group intends to leverage the AI Model to (a) facilitate the selection of appropriate media channels and platforms through performance modeling; (b) design campaign formats and content based on platform preferences and past outcomes; (c) determine campaign timing and scheduling through predictive analytics; and (d) facilitate media resource procurement via automated allocation recommendations;
- (iii) *Campaign content generation*: the Group intends to leverage the AI Model to support content generation through image recognition, image generation, voice recognition and augmented reality to develop intelligent face and voice changing, virtual reality actors, intelligent editing and intelligent special effects, enabling efficient, scalable, and personalised advertising content generation;
- (iv) *Campaign execution and management*: the Group intends to leverage the AI Model to support real-time data analysis to track key performance indicators. By continuously analysing performance data across media platforms, the AI Model could support intelligent audience retargeting, budget reallocation and bid adjustment, ensuring that campaigns remain aligned with defined goals and perform efficiently across channels; and

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- (v) *Campaign evaluation*: the Group intends to leverage the AI Model to assist in extracting actionable insights related to audience engagement, channel effectiveness and content impact, supporting clients in evaluating campaign outcomes and planning future strategies.

Unlike traditional project-based marketing services that rely heavily on manual execution, such AI Model could utilise advanced algorithms and data engines to automate large portions of the planning, content selection and creation, and creative adaptation processes, enabling the Group to effectively serve a great number of clients simultaneously while still delivering personalised experiences and maintaining high campaign performance. In addition, real-time data feedback loops allow for continuous optimisation and lower marginal service costs, thereby enhancing return on investment and operational scalability.

In particular, focusing on the two core elements of “intelligent generation” and “automated operation”, the AI Model is expected to be applied in four aspects to support the Company’s marketing services:

- (i) *AI digital human live streaming*: the AI Model is able to create virtual characters without the need for real-life actors and support flexible switch among multiple languages, multiple images and multiple scenes, thus providing 24/7 and uninterrupted live streaming services to brand owners. The intelligent interactive system developed through the AI Model could analyse audience comments in real time, dynamically adjust the language and emotions, engage hundreds or thousands of viewers simultaneously, and respond to real-time comments and provide product recommendations. Such application of the AI Model could significantly improve live streaming conversion rates, reduce labour, studio and operational costs, and break down geographic and language barriers;
- (ii) *AI-assisted content generation*: in respect of images and text, the AI Model is able to automatically generate crafted high-quality marketing copy, scripts, press release, posters and other content by simply entering keywords or a description of needs. In respect of videos, the AI Model is able to automatically generate video scripts based on specific needs of brand owners and then transform text or images into marketing videos with visuals, special effects and subtitles. The Company can then put the AI-generated marketing content, in particular short videos, on different advertising agencies media platforms and e-commerce media platforms such as Douyin, Kuaishou, Shipinhao and Xiaohongshu to promote the brand owners’ products;
- (iii) *AI-powered video editing*: the AI Model is able to intelligently analyse massive amounts of video footage, use machine learning to automate and enhance video production and offer features such as automatic transcription, subtitle generation, filter word removal and content repurposing. The AI Model could also support real-time editing and updating, enabling rapid optimisation based on user feedback and the latest requirements of brand owners; and

- (iv) *AI intelligent advertisement delivery*: the AI Model could deeply integrate mainstream advertising channels (i.e. search engines, social media platforms, short video platforms, etc.) to achieve unified management and automated delivery of advertisements across platforms. Based on AI intelligent analysis of massive historical data, user portraits and market dynamics, the AI Model could accurately predict the best delivery strategy of advertisements and automatically complete advertisements creation, budget allocation, bidding optimisation and material rotation testing. At the same time, the AI Model could monitor advertisement performance in real time, perform millisecond-level dynamic optimisation, automatically target to high-potential groups, block inefficient traffic, and adjust bids to maximise conversion rate and return on investment.

The Group will first build a comprehensive and dynamically updated marketing database through collecting and integrating data from in-house data, third-party service providers, open sources and media platforms. Such database will serve as the core asset for model training and optimisation. The Group will establish a professional team of senior algorithm experts and AI engineers and procure and equip with necessary computing infrastructure. Technically, the Group will use advanced open-source large models such as DeepSeek and Llama as the base to design and optimise an exclusive model architecture that is suitable for marketing scenarios. On this basis, such AI Model will then be deeply trained by inputting the constructed marketing database into the AI Model and using techniques such as fine-tuning to optimise the model parameters, so that it can accurately understand the professional knowledge and business logic in the marketing field. The Group will then use the validation dataset to assess the performance of the AI Model, identify areas for improvement and fine-tune the AI Model's hyperparameters to iterate and improve its performance. At last, the AI Model can only be officially deployed after it has passed the comprehensive testing through using the test dataset and proved its generalisation ability and stability in real business scenarios.

Specifically, the Group intends to develop the AI Model in phases, with the first phase to be completed in 2025 which involved developing the prototype of the AI Model and establishing the marketing knowledge and insight database with all kind of media elements including texts, images, videos and logs. Using the advanced data integration and analysis technologies, the multi-source and fragmented data in the database could be efficiently streamlined and analysed to generate high quality and meaningful data for model training. With the prototype of the AI Model completed, the Group will further train the AI Model on writing content and creations that are “human-like” and “profitable”, with focuses on improving key performance indicators such as click-through rate, conversion rate, and return on investment, and strengthening the AI Model's professional capabilities in attribution and evaluation on marketing effectiveness. The Group intends to develop the AI-powered automated generation capabilities (from keywords to marketing copy, scripts, press release, posters and other content), establish basic data connectivity for AI intelligent advertisement delivery and launch the image and voice prototype recording for AI digital human live streaming. To create a powerful infrastructure for efficient AI training and inference, the Group intend to build its own GPU cluster and integrate it with cloud elastic computing power by leveraging on dedicated hardware for consistent performance and the cloud's scalability for fluctuating needs.

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In the second phase which is expected to be completed in 2026, the Group intends to optimise the AI Model on certain industries that are the main target customers of the Group, including apparel and footwear, food and beverage, and education, by incorporating in-depth industry data into the AI Model. The Group aims to develop a number of category specific Low-Rank Adaptation (LoRA) models for these industries that could tailor for the specific needs of the clients in these industries. The Group also intends to further develop the multi-modal functions of the AI Model, such as (i) achieving serial output of “scripts — shot lists — subtitle and spherical effect suggestions” in AI-assisted content generation function; (ii) realising batch production and one-click revision and integrating with templates of brand owners in AI-powered video editing function; (iii) supporting unified cross-platform modelling, online carousel testing, and automated budget allocation in AI intelligent advertisement delivery function; and (iv) enabling virtual characters supporting flexible switch among multiple languages, multiple images and multiple scenes in AI digital human live streaming function.

In the third phase which is expected to be completed in 2027, the Group intends to introduce the function of content generation based on individual profiling of crowd in the AI Model and further improve the multi-modal functions of the AI Model to include real-time bidding and delivery. It is targeted that with these functions, the AI Model could further promote click-through rate by over 30% and reduce the edge delay. To achieve synergy among different functions of the AI Model, the Group intends to integrate AI-assisted content generation function and AI-powered video editing function to generate personalised content including individual portrait analysis, differentiated scripts and content creation and instant feedback for revision. In respect of AI digital human live streaming function, the Group intends to use customer feedback analysis and sentiment analysis to understand crowd-level speech and emotional curves and then translate these insights into concrete product marketing strategies to improve retention and conversion rates. The Group also intends to incorporate automated budget management, real-time strategy adjustments, and dynamic creative testing across different channels to optimise advertisement delivery in the AI intelligent advertisement delivery function.

In the fourth phase which is expected to be commenced in 2028 and continue onward, the Group intends to develop the AI Model into an autonomous marketing model that can cater for any industry and channel, and with the self-feedback function for continuous improvement, achieving the self-closed loop of content production, live broadcast and short videos, cross-platform advertisement delivery, data feedback and strategy update. It is targeted that with these functions, the AI Model could significantly improve the return on investment and lower the Group’s management cost on the AI Model.

Strategic cooperation with leading media platforms requires substantial cash payments

In addition, as one of the leading one-stop marketing service providers in the PRC, the Group has maintained long-standing strategic partnerships with well-known leading media platforms. In particular, the Group entered into a strategic partnership with Douyin in March 2023 to launch the Douyin Distribution Channel to become the first-tier agent of Douyin. Due to the different content distribution and the users’ characteristics of media platforms, the Group strives to intensify collaboration with other leading information

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content and tools platforms, advertising agencies media platforms and e-commerce media platforms such as Kuaishou, Shipinhao and Xiaohongshu. In May 2025, the Group entered into a cooperation agreement with Kuaishou to become the first-tier agent of Kuaishou. These online media platforms are generally among the largest market players in their respective industries. Since these online media platforms generally require deposit of a certain percentage of the estimated annual marketing budget to guarantee an expected level of gross spending or prepayment before acquiring user traffic and shorter credit periods, it is expected that the Group's future transactions with them will result in substantial cash requirements. The Company has completed a share subscription on 24 March 2025 with total net proceeds of approximately HK\$37.1 million and a share subscription on 21 July 2025 with total net proceeds of approximately HK\$9.5 million, both of which were also intended to be utilised on the Douyin Distribution Channel. As at the Latest Practicable Date, all net proceeds of these two share subscriptions have been fully utilised as intended. As such, further fundraising on the purchase of media resources on leading media platforms is required.

The Rights Issue is critical to replenish the Group's working capital and business development

With reference to the annual report of the Group for the year ended 31 December 2024 ("FY2024"), total revenue of the Group has increased by approximately 50.2% from approximately RMB1,192.0 million for the year ended 31 December 2023 ("FY2023") to approximately RMB1,790.8 million for FY2024, primarily attributable to the abundance of experience in serving customers gleaned over the years, the introduction of schemes and products that better meet customer marketing needs, the ability to attract more investment from customers, and the impact of the Douyin projects which contributed to the substantial growth in revenue for the Group's digital marketing services. Despite the aforesaid revenue growth, the Group recorded a change from net profit of approximately RMB33.1 million for FY2023 to net loss of approximately RMB185.6 million for FY2024, primarily attributable to (i) the increase in selling and marketing expenses by approximately RMB46.8 million mainly due to the increase in advertising and promotional expenses incurred by the Company; (ii) the increase in provision for impairment loss on trade receivables and other financial assets, net by approximately RMB63.2 million, mainly due to the fact that the Group's significant revenue growth in FY2024 was accompanied by a rise in trade receivables, leading to an increase in provision for bad debts during FY2024; and (iii) the provision for impairment loss for intangible assets of approximately RMB107.8 million mainly due to the unexpected revenue decline and loss-making condition of the Group's SaaS business during FY2024. Resulting from the Group's cooperation with Douyin which generally required deposits or prepayments, the Group recorded net cash used in operating activities of approximately RMB218.6 million and RMB103.8 million for FY2023 and FY2024, respectively. Against this backdrop, the Group requires external equity financing activities to further expand its business while maintaining sufficient working capital.

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The gross proceeds from the Rights Issue are expected to be approximately HK\$273.8 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$272.2 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$251.9 million, representing approximately 92.5% of the net proceeds, for the development of the AI Model. In particular:
 - (a) approximately HK\$31.5 million, representing approximately 11.6% of the net proceeds, will be used for hiring technical personnel and senior experts with deep experience in areas such as AI algorithms to strengthen the research and development and project management teams as well as purchasing necessary outsourcing services. With the expansion of the AI Model business, the Group expects to hire increasing number of personnel during the initial three years and spend a total of approximately HK\$3.5 million on hiring AI engineers, HK\$8.2 million on hiring data and algorithms engineers, HK\$10.2 million on hiring front-end, back-end, testing and security engineers, HK\$2.5 million on hiring project and product managers, and HK\$7.1 million for outsourcing specific tasks such as model evaluation and grayscale testing. The Group expects to fully utilised the net proceeds in this regard by the end of 2028;
 - (b) approximately HK\$173.2 million, representing approximately 63.6% of the net proceeds, will be used for building an internal computing power platform with high efficiency and scalability by acquiring advanced AI-specific computing hardware, including high-performance GPU server clusters and ancillary network storage devices. Advanced AI-specific computing hardware is essential for AI models as it provides the raw processing power to handle vast datasets, execute complex algorithms and perform real-time decision making, enabling advancements in fields like natural language processing and autonomous systems. Specialised hardware, including GPUs, is crucial for parallel processing, while high-performance servers with ample memory and high-bandwidth networking support these intensive workloads. GPUs are specialised hardware designed for efficiently processing large blocks of data simultaneously, making them ideal for graphics rendering, video processing, and accelerating complex computations in AI and machine learning applications. Without this hardware infrastructure, the training and deployment of sophisticated AI models would be severely limited. The Group is currently under negotiations with NVIDIA certified distributors such as Dell, Hewlett Packard, Lenovo and Supermicro to purchase NVIDIA certified system, Deep GPU Xceleration or Hyper-scale GPU Accelerator and has obtained the relevant quotations. The Group expects to spend approximately HK\$125.1 million on purchasing high-performance GPU server clusters, approximately HK\$26.1 million on purchasing ancillary network storage devices, approximately HK\$15.6 million on installing, deploying and maintaining generator room and power distribution and

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approximately HK\$6.4 million on relevant warranty and support services. The Group expects to fully utilised the net proceeds in this regard by the end of 2026;

- (c) approximately HK\$31.5 million, representing approximately 11.6% of the net proceeds, will be used for developing and upgrading the cloud elastic computing power through the purchase of high-performance GPU-based instances, advanced software systems and other necessary hardware equipment. The Group is currently under negotiations with cloud elastic computing power providers such as Amazon and Google and has obtained the relevant quotations and cloud services information. The Group expects to fully utilised the net proceeds in this regard by the end of 2026;
 - (d) approximately HK\$12.6 million, representing approximately 4.6% of the net proceeds, will be used for purchasing third-party data services to support data collection, cleansing, rendering, and annotation, with a view to building high-quality and domain-specific datasets to be used by the AI Model. The Group expects to fully utilised the net proceeds in this regard by the end of 2028; and
 - (e) approximately HK\$3.1 million, representing approximately 1.1% of the net proceeds, will be used for recruiting personnel to maintain the data security and compliance of the AI Model. The Group expects to fully utilised the net proceeds in this regard by the end of 2028; and
- (ii) approximately HK\$20.3 million, representing approximately 7.5% of the net proceeds, for purchasing media resources, in particular, the online traffic from Kuaishou, Shipinhao and Xiaohongshu for the Group's customers to place advertisements on these online media platforms. The Group expects to fully utilised the net proceeds in this regard by the end of 2026.

In the event that there is an under-subscription of the Rights Issue and the Placing (as the case may be), the net proceeds of the Rights Issue and the Placing (as the case may be) will be allocated and utilised in proportion to the above uses.

As at the Latest Practicable Date, saved as disclosed in this circular, the Company currently (i) has no other specific acquisition plan or acquisition target; and (ii) does not have any agreement, arrangement, undertaking or negotiation to pursue new business or dispose the existing business.

Fundraising alternatives

The Board has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

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The Board is of the view that while debt financing will increase the gearing ratio of the Group and having considered the prevailing high interest rate environment, debt financing will increase the ongoing interest expenses of the Group which may in turn affect the profitability of the Group.

With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increase the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Having considered the above, the Directors consider that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Controlling Shareholders pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent places:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Controlling Shareholders pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent places	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Many Idea Liujianhui (Notes 1 and 3)	6,664,031	6.94	46,648,217	6.94	46,648,217	6.94
Xiamen Dream Future (Notes 2 and 3)	9,474,816	9.87	66,323,712	9.87	66,323,712	9.87
Many Idea Qushuo (Notes 3 and 4)	<u>118,432</u>	<u>0.12</u>	<u>829,024</u>	<u>0.12</u>	<u>829,024</u>	<u>0.12</u>
Subtotal	16,257,279	16.93	113,800,953	16.93	113,800,953	16.93
<i>Director</i>						
Mr. Chen Zeming	<u>98,163</u>	<u>0.10</u>	<u>687,141</u>	<u>0.10</u>	<u>98,163</u>	<u>0.01</u>
Subtotal	16,355,442	17.04	114,488,094	17.04	113,899,116	16.95
Independent places	—	—	—	—	478,456,326	71.20
Other public Shareholders	<u>79,644,558</u>	<u>82.96</u>	<u>557,511,906</u>	<u>82.96</u>	<u>79,644,558</u>	<u>11.85</u>
Total	<u>96,000,000</u>	<u>100.00</u>	<u>672,000,000</u>	<u>100.00</u>	<u>672,000,000</u>	<u>100.00</u>

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Notes:

1. Many Idea Liujianhui is an investment holding company beneficially and wholly owned by Mr. Liu. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Many Idea Liujianhui.
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. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places. Percentages may not add up to 100% due to rounding.
6. Pursuant to the Placing Agreement, the Placing Agent shall also ensure that the public float requirement under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

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FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

Date of the announcements	Fund raising activity	Net proceeds (approximate)	Intended use of the net proceeds as announced	Actual use of proceeds
14 March 2025 and 24 March 2025	Subscriptions of new Shares under the general mandate	HK\$37.1 million	(i) approximately 90% (equivalent to approximately HK\$33.39 million) for purchasing media resources, in particular, the Douyin Distribution Channel, and promotion of the Douyin Distribution Channel; and (ii) approximately 10% (equivalent to approximately HK\$3.71 million) for general working capital of the Group.	As at the Latest Practicable Date, all such net proceeds of approximately HK\$37.1 million has been fully utilised as intended.
11 July 2025 and 21 July 2025	Subscriptions of new Shares under the general mandate	HK\$9.5 million	(i) approximately 90.00% (equivalent to approximately HK\$8.55 million) for purchasing media resources, in particular, the Douyin Distribution Channel, and promotion of the Douyin Distribution Channel; and (ii) approximately 10.00% (equivalent to approximately HK\$0.95 million) for general working capital of the Group.	As at the Latest Practicable Date, all such net proceeds of approximately HK\$9.5 million has been fully utilised as intended.

Save as disclosed above, there has not been any equity fund raising activity conducted by the Company in the past twelve months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the issued Shares by more than 50%, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

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As such, the controlling shareholders of the Company, namely Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liujianhui and Many Idea Qushuo who in aggregate holding 16,257,279 Shares, representing approximately 16.93% of the issued share capital of the Company as at the Latest Practicable Date, shall abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Wang Yingbin, Ms. Zhou Yan and Mr. Tian Tao, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transaction contemplated thereunder. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 45 to 46 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, and as to the voting action therefor, and the letter from Independent Financial Adviser set out on pages IFA-1 to IFA-41 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The notice convening the EGM to be held at 10:00 a.m. on Monday, 20 October 2025 is enclosed with this circular.

The register of members of the Company will be closed from Tuesday, 14 October 2025 to Monday, 20 October 2025 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Subject to the fulfilment of certain conditions of the Rights Issue including the approval of the Shareholders at the EGM, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may despatch the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL to the Excluded Shareholders.

Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will be made available and/or despatch (as the case may be) the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL to the Excluded Shareholders. The Company will despatch the PAL in printed form to the Qualifying Shareholders but will not despatch the PAL to the Excluded Shareholders. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will despatch the Prospectus in printed form together with a request form for soliciting the Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon fulfilment of the conditions set out in the section headed "Letter from the Board — Conditions of the Rights Issue" of this circular, including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the terms of the Rights Issue, the Placing Agreement and the transaction contemplated therein are fair and reasonable and in the interests of the Group and the Shareholders as a whole, therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular. In case of any inconsistency between the English and Chinese versions of this circular, the English version will prevail.

For and on behalf of the Board
Many Idea Cloud Holdings Limited
Liu Jianhui
Chairman of the Board

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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



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)

26 September 2025

To the Independent Shareholders

Dear Sir/Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

We refer to the circular of the Company dated 26 September 2025 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders how to vote at the EGM. First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice together with the principal factors and reasons it has taken into consideration on giving its advice, are contained in its letter set out on pages IFA-1 to IFA-41 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the principal factors and reasons considered by, and the advice of the Independent Financial Adviser, we considered that the Rights Issue and the Placing Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of
the Independent Board Committee
Many Idea Cloud Holdings Limited

Ms. Wang Yingbin

Ms. Zhou Yan

Mr. Tian Tao

Independent non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from First Global Corporate Finance Co., Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Right Issue, which has been prepared for the purpose of incorporation in this circular.



Room 1706-07, 17/F
China Insurance Group Building
141 Des Voeux Road Central
Central, Hong Kong

26 September 2025

To: The Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

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 Rights Issue, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 26 September 2025 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 4 September 2025 (after trading hours), the Company announced its proposal to implement the Rights Issue on the basis of six (6) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.4753 per Rights Share, to raise gross proceeds of approximately HK\$273.8 million by issuing 576,000,000 Rights Shares to the Qualifying Shareholders.

LISTING RULES IMPLICATIONS

With reference to the Letter from the Board, as the Rights Issue will increase the issued Shares by more than 50%, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As such, the controlling shareholders of the Company, namely Mr. Liu, Ms. Qu, ZJJ Many Idea, Xiamen Dream Future, Many Idea Liu Jianhui and Many Idea Qushuo who in aggregate holding 16,257,279 Shares, representing approximately 16.93% of the issued share capital of the Company as at the Latest Practicable Date, shall abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Wang Yingbin, Ms. Zhou Yan and Mr. Tian Tao, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transaction contemplated thereunder, on whether the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser.

We, First Global Corporate Finance Co., Limited (“**First Global**”), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. First Global is a licensed corporation licensed under the Securities and Futures Ordinance (“**SFO**”) to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Wendy Liu (“**Ms. Liu**”) is the person signing off the opinion letter from First Global contained in the Circular. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2014. Ms. Liu has participated in and completed various independent financial advisory transactions in Hong Kong.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, save for this engagement of us as the Independent Financial Adviser, no other relationship has been formed and no direct engagement has been performed between the Group, the other party(ies) to the Right Issue, or a close associate or core connected person of any of them and us. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, the other party(ies) to the Right Issue, or a close associate or core connected person of any of them and us, or other parties that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us in connection with our engagement as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company and its subsidiaries or their respective substantial shareholders or any party acting in concert, or presumed to be acting in concert, with any of them. Accordingly, we considered that we are independent to act as the Independent Financial Adviser in respect of the Right Issue pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have reviewed the documents including but not limited to; (i) the Circular and the Letter from the Board contained therein; (ii) the Placing Agreement; (iii) the interim report of the Company for the six months ended 30 June 2025 and 2024 (the “**2025 Interim Report**”) and annual report of the Company for the years ended 31 December 2024 and 2023 (the “**2024 Annual Report**”); and (iv) the relevant supporting documents in respect of the Right Issue provided by the Company, including but not limited to historical documents and records, use of proceeds schedule and cashflow forecast to formulate our opinion and recommendation. We have assumed that the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. The Shareholders will be informed should there be any material change of information in the Circular up to the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. Where applicable, we have also conducted independent desktop search and confirmed that there was no material difference between our search result and the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group. 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 management and/or advisers, which have been provided to us. 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 Chapters 13 and 14A of the Listing Rules.

The Directors have collectively and individually accepted full responsibility of the Circular and have confirmed, having made all reasonable enquiries, 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 herein 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 considered that we have reviewed sufficient information to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Right Issue. Our opinion is necessarily based on the market, financial, economic and other

LETTER FROM INDEPENDENT FINANCIAL ADVISER

conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Right Issue, we have considered the following principal factors and reasons:

I. Background of the Group

(i) Background information of the Group

The Group is a is an investment holding company, which is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and Software as a Service (the “SaaS”) interactive marketing services in the PRC.

(ii) Historical financial performance and position of the Group

The following table sets out key consolidated financial information of the Group for the six months ended 30 June 2025 (the “1H2025”), the six months ended 30 June 2024 (the “1H2024”), the financial years ended 31 December 2023 (the “FY2023”) and 31 December 2024 (the “FY2024”) as extracted from the 2025 Interim Report and 2024 Annual Report:

	For the 1H2025 (unaudited) RMB '000	For the 1H2024 (unaudited) RMB '000	For the FY2024 (audited) RMB '000	For the FY2023 (audited) RMB '000
Revenue	1,020,381	839,263	1,790,774	1,192,040
Gross Profit	21,772	55,643	127,689	117,846
Provision for impairment loss on trade receivables and other financial assets, net	(51,998)	(36,915)	(128,837)	(65,607)
Net Profit/(Loss)	(60,627)	7,167	(185,572)	33,055

Discussion on the Group’s financial performance for the 1H2025 as compared with that for the 1H2024

Based on the 2025 Interim Report, the Group’s revenue reached approximately RMB1,020.38 million in 1H2025, with a growth of approximately 21.58% as compared to 1H2024. During the six months ended 30 June 2025, revenue from integrated marketing services increased by approximately 21.6%, with a year-on-year growth to approximately RMB1,020.38 million, accounting for approximately 100.0% of the

Group's total revenue, mainly due to the rich experience in serving customers over the years and the Group's marketing solutions better catering to the marketing needs of customers. The gross profit rate of 1H2025 was approximately 2.13%, representing a decrease of approximately 4.50% compared with 1H2024, which was mainly due to the increase in the proportion of revenue from DouYin business, which had a lower total gross profit. For 1H2025, the Group's recorded net loss amounted to approximately RMB60.63 million (1H2024: net profit of approximately RMB7.17 million), representing a decrease of approximately 945.92% as compared to that of 1H2024, which was mainly due to the increase in provision for impairment loss on trade receivables and other financial assets.

Discussion on the Group's financial performance for the FY2024 as compared with that for the FY2023

Based on the 2024 Annual Report, the Group's revenue reached approximately RMB1,790.77 million in FY2024, with a year-on-year growth of approximately 50.23%. The increase in total revenue was due to the abundance of experience in serving customers gleaned over the years, the introduction of schemes and products that better meet customer marketing needs, the ability to attract more investment from customers, and the impact of the DouYin projects which contributed to the substantial growth in revenue for the digital marketing services. The gross profit was increased from approximately RMB117.85 million to RMB127.69 million, representing an increase of approximately 8.35% compared with FY2023, which was mainly due to increase in the gross profit of the cooperation with TikTok as its first-tier agent. For FY2024, the Group's recorded net loss amounted to approximately RMB185.57 million (FY2023: net profit of approximately RMB33.06 million), representing a decrease of approximately 661.40% as compared to that of FY2023, which was mainly due to the provisions for impairment loss on trade receivables and provision for impairment loss on intangible assets recognized.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Discussion on the Group's financial position as at 31 December 2024 as compared with that as at 31 December 2023

Set out below is a summary of the consolidated statement of financial position of the Group as at 31 December 2024 and 30 June 2025 as extracted from the 2025 Interim Report.

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Total assets	811,870	838,450
Total liabilities	365,002	356,045
Net assets	446,868	482,405

The total assets of the Group were approximately RMB811.87 million and RMB838.45 million as at 30 June 2025 and 31 December 2024, respectively, representing an approximately 3.17% decrease, which is mainly attributable to the decrease in prepayments, deposits and other receivables. The total liabilities of the Group were approximately RMB365.00 million and RMB356.05 million as at 30 June 2025 and 31 December 2024, respectively, representing an approximately 2.52% increase, which is mainly attributable to the increase in other payables and accruals, amounting to approximately RMB89.13 million and RMB75.03 million at the same dates. The financial position of the Group remained healthy, with consolidated net assets decreasing slightly by approximately 7.37%, from approximately RMB482.41 million as at 31 December 2024 to approximately RMB446.87 million as at 30 June 2025.

II. Reasons for the Rights Issue and use of proceeds

AI-powered marketing is reshaping the Chinese marketing industry

In recent years, China's marketing industry has experienced significant growth in digital advertising, with innovations in social media, search engine optimisation, and video content marketing driving the sector forward. The ongoing development of 5G and artificial intelligence ("AI") technologies has further elevated advertising personalisation and audience targeting to unprecedented levels of precision. According to the "*Research Report on AI Application Development in China's Marketing Industry in 2024*" (2024年中國營銷行業AI應用發展研究報告) published by iResearch in 2025, the rapid evolution of marketing technologies has profoundly transformed the design, execution, and evaluation of marketing campaigns. AI tools now enable: (i) the analysis of customer data to better understand preferences and behaviours, allowing for personalised content generation in targeted advertising; (ii) the quick and cost-efficient creation of content, including text, visuals, and videos; (iii) 24/7

customer support and predictive customer behaviour analysis, facilitating proactive engagement and retention strategies; and (iv) enhanced data management platforms and customer data platforms, enabling more precise audience segmentation and personalised communication, thereby improving the efficiency and effectiveness of marketing efforts.

Revenue from China's AI marketing services is projected to grow from approximately RMB65.6 billion in 2023 to around RMB127.8 billion by 2030, reflecting a compound annual growth rate ("CAGR") of about 10.0%. iResearch, an independent market intelligence provider, offers market research, insights, and advisory services across various industries. Meanwhile, according to Frost & Sullivan, the market size of the integrated marketing services industry in the PRC is anticipated to grow at a CAGR of approximately 9.4%, increasing from roughly RMB1,700.5 billion in 2024 to around RMB2,666.4 billion by 2029. This growth is primarily attributed to deep penetration and ongoing innovation in digital technologies, such as AI, big data, short video platforms, and live-streaming e-commerce, which are driving more efficient, targeted, and scalable marketing models. The future trends of the Chinese marketing services industry include, among others:

- (i) **Intelligent Technology-Driven Marketing:** Technological advancements are set to continue reshaping the core capabilities of the integrated marketing services industry. AI-generated content is expected to become a standard tool for creating text, images, and videos, significantly accelerating content production while enhancing personalisation. Additionally, intelligent recommendation systems, programmatic advertising, and predictive analytics will enable automation and closed-loop control throughout the marketing chain, allowing brands to reduce labour costs and improve targeting precision. Looking ahead, integrated marketing services are expected to transition from multi-platform coordination to full-chain intelligent collaboration. With technology at its core, this evolution will establish a more scientific, efficient, and measurable marketing ecosystem.
- (ii) **Content Format Innovation:** As the digital content ecosystem continues to evolve, new formats such as AI-generated content (AIGC), 3D advertising, interactive videos, and immersive environments are transforming how brands engage with users and deliver value. This shift places increasing pressure on digital advertising service providers to develop full-stack capabilities that combine creative ideation, advanced technical execution, and continuous data-driven content iteration. Providers with expertise in both storytelling and cutting-edge production technologies — such as generative AI engines, virtual human modeling, and real-time rendering infrastructure — are better positioned to deliver differentiated creative value. Looking ahead, the Directors believe that marketing service providers will need to evolve from solely acting as media intermediaries to becoming integrated

marketing architects. This transformation will involve offering end-to-end services, from brand design to delivering cohesive, technology-enabled digital narratives across diverse formats and platforms, addressing the challenges of an increasingly fragmented content landscape.

- (iii) **Enhancing Productivity Empowered by AI:** The integration of AI is enabling service providers to manage a larger client base simultaneously while maintaining the delivery of personalised experiences and achieving high campaign performance. Real-time data feedback loops further support continuous optimisation, reducing marginal service costs and improving overall efficiency. This transformation enhances return on investment and enables greater operational scalability, allowing marketing service providers to achieve more with fewer resources while maintaining quality and effectiveness.

According to the prospectus of the Company dated 28 October 2022, China's marketing services market was highly fragmented, with the number of offline and online marketing service providers exceeding 100,000. In light of the competitive landscape and the transformative impact of AI technology on the PRC marketing industry, there is a clear trend among marketing service providers to develop unique AI-empowered marketing products. These products aim to deliver tailor-made solutions for clients, enhancing competitiveness and differentiation. For example, BlueFocus Intelligent Communications Group Co., Ltd., a leading Chinese marketing service provider, introduced its "All in AI" strategy in 2023 to pioneer AI applications in the marketing industry. As part of this strategy, the company developed *Blue AI*, a marketing-specific application engine for large language models. In 2024, the company's AI-driven business generated gross billing of approximately RMB1.2 billion, demonstrating the commercial potential of AI-driven solutions in the marketing space.

Investment and development in AI is essential for maintaining the Group's competitiveness and enhancing the Group's operational scalability

As AI technology continues to mature and further integrate into the marketing services value chain, the Group believes that AI-driven marketing services will play a crucial role in complementing its content and digital marketing business while supporting its future business development. To this end, the Group plans to develop its in-house AI marketing large language model platform (the "**AI Model**"), which will support key functions such as digital human live streaming, AI-assisted content generation, AI performance optimisation, and automated advertisement delivery.

The Group's commercial rationale and purpose for building the AI Model is to (i) align with industry trends, The Group believes that the AI Model will enable the Group to stay competitive and up-to-date with market trends by aligning with the industry's ongoing shift towards intelligent technology-driven marketing,

content format innovation, and AI-enabled productivity enhancements, as previously discussed; and (ii) leverage the market drivers for growth. As the platform is designed to take advantage of the key drivers of the Chinese marketing services industry, which can position the Group for sustained business growth.

The rapid evolution of marketing technologies has fundamentally transformed how campaigns are designed, executed, and evaluated. Generative AI tools now facilitate the quick and cost-effective creation of text, visuals, and videos, while the convergence of advanced technologies and diversified platforms drives integrated marketing services toward greater precision, automation, and real-time responsiveness.

By developing the AI Model, the Group aims to equip itself with technical and creative adaptation capabilities that will create significant competitive barriers for both existing and future competitors. Automation tools, for instance, require long-term expertise to optimise, and leading industry players leverage proprietary AI-driven consumer insights systems to maintain dominance.

Furthermore, the Group recognises that significant cultural differences across global markets make it challenging for standardised advertisement content to resonate with local audiences. To address this, the AI Model will incorporate adaptive content systems powered by emerging technologies, such as AI-generated content (AIGC), to generate personalised creative assets at scale. These capabilities will enable the Group to deliver cost-effective and scalable advertising solutions tailored to the nuanced expectations of diverse target audiences, driving greater impact and value across its marketing services.

As the Group is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and SaaS interactive marketing services in the PRC, such AI Model will align with the Group's principal business (i.e. the marketing services) to allow the Group to (i) fulfil the requirements of different platforms (e.g. Douyin, Kuaishou, Shipinhao and Xiaohongshu) as each platform has its own audience demographics, content formats and engagement mechanics; and (ii) serve a greater number of clients simultaneously while still delivering personalised experiences and maintaining high campaign performance.

The Group's current management team possesses relevant experience in information technology, which forms a strong foundation for its future focus on AI-driven marketing services. Mr. Huang Xihuang ("**Mr. Huang**"), the Group's Director for Research and Development, has a solid academic background, having earned a bachelor's degree in Communication Engineering in June 2003 and a master's degree in Information and Communication Engineering in March 2006 from Zhejiang University, PRC. Additionally, he obtained a qualification certificate as a senior engineer specialist in Electronic Engineering from the Fujian Human Resources and Social Security Bureau* (福建省人力資源和社會保障廳) in October 2017.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Mr. Huang has extensive professional experience, having served as a research and development engineer at Xiamen Yaxon Networks Co., Ltd.* (廈門雅迅網絡股份有限公司) from April 2006 to March 2011. Subsequently, he worked as a research and development engineer at Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.* (摩托羅拉移動互聯科技(廈門)有限公司) (formerly known as Lenovo Mobile Internet Technology (Xiamen) Co., Ltd.* (聯想移動互聯科技(廈門)有限公司)) from June 2011 to March 2018.

Although the Group currently does not have staff with direct qualifications or experience in AI-related fields, it recognizes the importance of expertise in this area for its future development. To address this, the Group plans to recruit technical personnel and senior experts with in-depth experience in areas such as AI algorithms. This strategic hiring initiative aims to strengthen the Group's research and development capabilities and enhance its project management teams, enabling the successful implementation and growth of its AI-driven marketing initiatives.

The Group expects to apply the AI Model across every stage of the key service flow:

- (i) Client briefing and engagement: the Group intends to leverage the AI Model to assist in capturing and analysing client needs, organising key inputs such as brand positioning, product and service attributes, marketing goals, and budgeting. This could facilitate the capturing and retention of clients, generation of structured client profiles and support more targeted campaign planning and budget optimisation;
- (ii) Campaign planning: the Group intends to leverage the AI Model to (a) facilitate the selection of appropriate media channels and platforms through performance modeling; (b) design campaign formats and content based on platform preferences and past outcomes; (c) determine campaign timing and scheduling through predictive analytics; and (d) facilitate media resource procurement via automated allocation recommendations;
- (iii) Campaign content generation: the Group intends to leverage the AI Model to support content generation through image recognition, image generation, voice recognition and augmented reality to develop intelligent face and voice changing, virtual reality actors, intelligent editing and intelligent special effects, enabling efficient, scalable, and personalised advertising content generation;

- (iv) Campaign execution and management: the Group intends to leverage the AI Model to support real-time data analysis to track key performance indicators. By continuously analysing performance data across media platforms, the AI Model could support intelligent audience retargeting, budget reallocation and bid adjustment, ensuring that campaigns remain aligned with defined goals and perform efficiently across channels; and
- (v) Campaign evaluation: the Group intends to leverage the AI Model to assist in extracting actionable insights related to audience engagement, channel effectiveness and content impact, supporting clients in evaluating campaign outcomes and planning future strategies.

Unlike traditional project-based marketing services that rely heavily on manual execution, such AI Model could utilise advanced algorithms and data engines to automate large portions of the planning, content selection and creation, and creative adaptation processes, enabling the Group to effectively serve a great number of clients simultaneously while still delivering personalised experiences and maintaining high campaign performance. In addition, real-time data feedback loops allow for continuous optimisation and lower marginal service costs, thereby enhancing return on investment and operational scalability.

In particular, focusing on the two core elements of “intelligent generation” and “automated operation”, the AI Model is expected to be applied in four aspects to support the Company’s marketing services:

- (i) AI digital human live streaming: the AI Model is able to create virtual characters without the need for real-life actors and support flexible switch among multiple languages, multiple images and multiple scenes, thus providing 24/7 and uninterrupted live streaming services to brand owners. The intelligent interactive system developed through the AI Model could analyse audience comments in real time, dynamically adjust the language and emotions, engage hundreds or thousands of viewers simultaneously, and respond to real-time comments and provide product recommendations. Such application of the AI Model could significantly improve live streaming conversion rates, reduce labour, studio and operational costs, and break down geographic and language barriers;
- (ii) AI-assisted content generation: in respect of images and text, the AI Model is able to automatically generate crafted high-quality marketing copy, scripts, press release, posters and other content by simply entering keywords or a description of needs. In respect of videos, the AI Model is able to automatically generate video scripts based on specific needs of brand owners and then transform text or images into marketing videos with visuals, special effects and subtitles. The Company can then put the AI-generated marketing content, in particular short videos, on different

advertising agencies media platforms and e-commerce media platforms such as Douyin, Kuaishou, Shipinhao and Xiaohongshu to promote the brand owners' products;

- (iii) AI-powered video editing: the AI Model is able to intelligently analyse massive amounts of video footage, use machine learning to automate and enhance video production and offer features such as automatic transcription, subtitle generation, filter word removal and content repurposing. The AI Model could also support real-time editing and updating, enabling rapid optimisation based on user feedback and the latest requirements of brand owners; and
- (iv) AI intelligent advertisement delivery: the AI Model could deeply integrate mainstream advertising channels (i.e. search engines, social media platforms, short video platforms, etc.) to achieve unified management and automated delivery of advertisements across platforms. Based on AI intelligent analysis of massive historical data, user portraits and market dynamics, the AI Model could accurately predict the best delivery strategy of advertisements and automatically complete advertisements creation, budget allocation, bidding optimisation and material rotation testing. At the same time, the AI Model could monitor advertisement performance in real time, perform millisecond-level dynamic optimisation, automatically target to high-potential groups, block inefficient traffic, and adjust bids to maximise conversion rate and return on investment.

The Group will first build a comprehensive and dynamically updated marketing database through collecting and integrating data from in-house data, third-party service providers, open sources and media platforms. Such database will serve as the core asset for model training and optimisation. The Group will establish a professional team of senior algorithm experts and AI engineers and procure and equip with necessary computing infrastructure. Technically, the Group will use advanced open-source large models such as DeepSeek and Llama as the base to design and optimise an exclusive model architecture that is suitable for marketing scenarios. On this basis, such AI Model will then be deeply trained by inputting the constructed marketing database into the AI Model and using techniques such as fine-tuning to optimise the model parameters, so that it can accurately understand the professional knowledge and business logic in the marketing field. The Group will then use the validation dataset to assess the performance of the AI Model, identify areas for improvement and fine-tune the AI Model's hyperparameters to iterate and improve its performance. At last, the AI Model can only be officially deployed after it has passed the comprehensive testing through using the test dataset and proved its generalisation ability and stability in real business scenarios.

Specifically, the Group intends to develop the AI Model in phases, with the first phase to be completed in 2025 which involved developing the prototype of the AI Model and establishing the marketing knowledge and insight database with all kind of media elements including texts, images, videos and logs. Using the advanced data integration and analysis technologies, the multi-source and fragmented data in the database could be efficiently streamlined and analysed to generate high quality and meaningful data for model training. With the prototype of the AI Model completed, the Group will further train the AI Model on writing content and creations that are “human-like” and “profitable”, with focuses on improving key performance indicators such as click-through rate, conversion rate, and return on investment, and strengthening the AI Model’s professional capabilities in attribution and evaluation on marketing effectiveness. The Group intends to develop the AI-powered automated generation capabilities (from keywords to marketing copy, scripts, press release, posters and other content), establish basic data connectivity for AI intelligent advertisement delivery and launch the image and voice prototype recording for AI digital human live streaming. To create a powerful infrastructure for efficient AI training and inference, the Group intend to build its own GPU cluster and integrate it with cloud elastic computing power by leveraging on dedicated hardware for consistent performance and the cloud’s scalability for fluctuating needs.

In the second phase which is expected to be completed in 2026, the Group intends to optimise the AI Model on certain industries that are the main target customers of the Group, including apparel and footwear, food and beverage, and education, by incorporating in-depth industry data into the AI Model. The Group aims to develop a number of category specific Low-Rank Adaptation (LoRA) models for these industries that could tailor for the specific needs of the clients in these industries. The Group also intends to further develop the multi-modal functions of the AI Model, such as (i) achieving serial output of “scripts — shot lists — subtitle and spherical effect suggestions” in AI-assisted content generation function; (ii) realising batch production and one-click revision and integrating with templates of brand owners in AI-powered video editing function; (iii) supporting unified cross-platform modelling, online carousel testing, and automated budget allocation in AI intelligent advertisement delivery function; and (iv) enabling virtual characters supporting flexible switch among multiple languages, multiple images and multiple scenes in AI digital human live streaming function.

In the third phase which is expected to be completed in 2027, the Group intends to introduce the function of content generation based on individual profiling of crowd in the AI Model and further improve the multi-modal functions of the AI Model to include real-time bidding and delivery. It is targeted that with these functions, the AI Model could further promote click-through rate by over 30% and reduce the edge delay. To achieve synergy among different functions of the AI Model, the Group intends to integrate AI-assisted content generation function and AI-powered video editing function to generate personalised content including individual portrait analysis, differentiated scripts and content creation

and instant feedback for revision. In respect of AI digital human live streaming function, the Group intends to use customer feedback analysis and sentiment analysis to understand crowd-level speech and emotional curves and then translate these insights into concrete product marketing strategies to improve retention and conversion rates. The Group also intends to incorporate automated budget management, real-time strategy adjustments, and dynamic creative testing across different channels to optimise advertisement delivery in the AI intelligent advertisement delivery function.

In the fourth phase which is expected to be commenced in 2028 and continue onward, the Group intends to develop the AI Model into an autonomous marketing model that can cater for any industry and channel, and with the self-feedback function for continuous improvement, achieving the self-closed loop of content production, live broadcast and short videos, cross-platform advertisement delivery, data feedback and strategy update. It is targeted that with these functions, the AI Model could significantly improve the return on investment and lower the Group's management cost on the AI Model.

Strategic cooperation with leading media platforms requires substantial cash payments

As one of the leading one-stop marketing service providers in the PRC, the Group has established long-standing strategic partnerships with prominent media platforms. Notably, in March 2023, the Group entered into a strategic partnership with Douyin to launch the Douyin Distribution Channel, becoming a first-tier agent of Douyin. Recognizing the differing content distribution strategies and user characteristics of various media platforms, the Group is committed to strengthening collaborations with other leading platforms, including information content and tools platforms, advertising agencies, and e-commerce media platforms such as Kuaishou, Shipinhao, and Xiaohongshu. In May 2025, the Group further expanded its partnerships by entering into a cooperation agreement with Kuaishou, securing first-tier agent status. These platforms are widely recognized as market leaders in their respective industries.

Given the operational models of these platforms, which typically require deposits based on a percentage of the estimated annual marketing budget, prepayment for user traffic acquisition, or shorter credit periods, the Group anticipates substantial cash requirements to support future transactions. To address these demands, the Group completed a share subscription on 24 March 2025, raising net proceeds of approximately HK\$37.1 million, and another on 21 July 2025, raising HK\$9.5 million. Both tranches were allocated for use on the Douyin Distribution Channel. As of the Latest Practicable Date, all net proceeds from these share subscriptions have been fully utilized as intended.

To further support the procurement of media resources on leading platforms, additional fundraising will be required.

The Rights Issue is critical to replenish the Group's working capital and business development

According to the 2024 Annual Report, the Group's total revenue increased by approximately 50.2%, from approximately RMB1,192.0 million in FY2023 to approximately RMB1,790.8 million in FY2024. This significant growth was primarily driven by the Group's extensive experience in customer service, the introduction of schemes and products better aligned with customer marketing needs, an enhanced ability to attract greater customer investment, and the substantial contributions of Douyin projects, which bolstered the Group's digital marketing services.

Despite the strong revenue growth, the Group reported a shift from a net profit of approximately RMB33.1 million in FY2023 to a net loss of approximately RMB185.6 million in FY2024. This loss was mainly attributable to the following factors: (i) increased selling and marketing expenses: selling and marketing expenses rose by approximately RMB46.8 million, primarily due to higher advertising and promotional costs incurred by the Company; (ii) provision for impairment loss on trade receivables: The Group recorded an increase of approximately RMB63.2 million in impairment provisions on trade receivables and other financial assets. This was largely due to the significant revenue growth in FY2024, which was accompanied by a rise in trade receivables, resulting in higher bad debt provisions; and (iii) impairment loss on intangible assets: a provision of approximately RMB107.8 million was recorded for impairment of intangible assets, mainly resulting from the unexpected revenue decline and loss-making performance of the Group's SaaS business during FY2024.

Additionally, the Group's collaboration with Douyin, which required substantial deposits or prepayments, contributed to net cash outflows from operating activities of approximately RMB218.6 million in FY2023 and RMB103.8 million in FY2024.

Given this backdrop, the Group recognizes the need for external equity financing to support its business expansion plans while ensuring sufficient working capital to sustain operations.

The gross proceeds from the Rights Issue are expected to be approximately HK\$273.8 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$272.2 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$251.9 million, representing approximately 92.5% of the net proceeds, for the development of the AI Model. In particular:
 - (a) approximately HK\$31.5 million, representing approximately 11.6% of the net proceeds, will be used for hiring technical personnel and senior experts with deep experience in areas such as AI algorithms to strengthen the research and development and project

management teams as well as purchasing necessary outsourcing services. With the expansion of the AI Model business, the Group expects to hire increasing number of personnel during the initial three years and spend a total of approximately HK\$3.5 million on hiring AI engineers, HK\$8.2 million on hiring data and algorithms engineers, HK\$10.2 million on hiring front-end, back-end, testing and security engineers, HK\$2.5 million on hiring project and product managers, and HK\$7.1 million for outsourcing specific tasks such as model evaluation and grayscale testing. The Group expects to fully utilised the net proceeds in this regard by the end of 2028;

- (b) approximately HK\$173.6 million, representing approximately 63.5% of the net proceeds, will be used for building an internal computing power platform with high efficiency and scalability by acquiring advanced AI-specific computing hardware, including high-performance GPU server clusters and ancillary network storage devices. Advanced AI-specific computing hardware is essential for AI models as it provides the raw processing power to handle vast datasets, execute complex algorithms and perform real-time decision making, enabling advancements in fields like natural language processing and autonomous systems. Specialised hardware, including GPUs, is crucial for parallel processing, while high-performance servers with ample memory and high-bandwidth networking support these intensive workloads. GPUs are specialised hardware designed for efficiently processing large blocks of data simultaneously, making them ideal for graphics rendering, video processing, and accelerating complex computations in AI and machine learning applications. Without this hardware infrastructure, the training and deployment of sophisticated AI models would be severely limited. The Group is currently under negotiations with NVIDIA certified distributors such as Dell, Hewlett Packard, Lenovo and Supermicro to purchase NVIDIA certified system, Deep GPU Xceleration or Hyper-scale GPU Accelerator and has obtained the relevant quotations. The Group expects to spend approximately HK\$125.1 million on purchasing high-performance GPU server clusters, approximately HK\$26.1 million on purchasing ancillary network storage devices, approximately HK\$15.6 million on installing, deploying and maintaining generator room and power distribution and approximately HK\$6.4 million on relevant warranty and support services. The Group expects to fully utilised the net proceeds in this regard by the end of 2026;

- (c) approximately HK\$31.5 million, representing approximately 11.6% of the net proceeds, will be used for developing and upgrading the cloud elastic computing power through the purchase of high-performance GPU-based instances, advanced software systems and other necessary hardware equipment. The Group is currently under negotiations with cloud elastic computing power providers such as Amazon and Google and has obtained the relevant quotations and cloud services information. The Group expects to fully utilised the net proceeds in this regard by the end of 2026;
 - (d) approximately HK\$12.6 million, representing approximately 4.6% of the net proceeds, will be used for purchasing third-party data services to support data collection, cleansing, rendering, and annotation, with a view to building high-quality and domain-specific datasets to be used by the AI Model. The Group expects to fully utilised the net proceeds in this regard by the end of 2028; and
 - (e) approximately HK\$3.1 million, representing approximately 1.1% of the net proceeds, will be used for recruiting personnel to maintain the data security and compliance of the AI Model. The Group expects to fully utilised the net proceeds in this regard by the end of 2028; and
- (ii) approximately HK\$20.3 million, representing approximately 7.5% of the net proceeds, for purchasing media resources, in particular, the online traffic from Kuaishou, Shipinhao and Xiaohongshu for the Group's customers to place advertisements on these online media platforms. The Group expects to fully utilised the net proceeds in this regard by the end of 2026.

In the event that there are an under-subscription of the Rights Issue and the Placing (as the case may be), the net proceeds of the Rights Issue and the Placing (as the case may be) will be allocated and utilised in proportion to the above uses. As at the date of the Latest Practicable Date, the Company currently (i) has no other specific acquisition plan or acquisition target; and (ii) does not have any agreement, arrangement, undertaking or negotiation to pursue new business or dispose the existing business.

Based on our review of the breakdown of use of proceeds provided by the management of the Group, we noted that majority of the net proceeds from the Rights Issue would be applied as for the development of the AI Model. In this regard, we have obtained from the Company estimated detailed investment plans and cost breakdowns, with timeline on each of the proposed steps to be implement in respect of the development of AI Model. Based on the detailed cost breakdowns provided by the Company, we have further validated the estimated costs by

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cross-checking them against quotations obtained from services providers/suppliers which are Independent Third Parties. We noted that the costs estimated in the breakdown of the use of proceeds is fair and reasonable. Align with the Group's principal business (i.e. the marketing services), to fulfil the requirements of different platforms and to serve a greater number of clients, the Group has to provide marketing services with unique AI-empowered marketing products to provide tailor-made solutions to clients so as to enhance their competitiveness.

Given the competitive environment and the impact of AI technology on the PRC marketing industry, it is essential for the Group to start the development of the AI Model at soon as practicable, therefore, we are of the view that the allocation of the net proceeds (with over 90%) being allocated to the development of AI Model is fair and reasonable and in line with the business development of the Group. The Company has imminent funding needs from the Rights Issues.

Fundraising alternatives

As stated in the Letter from the Board and confirmed by the Directors, various fundraising alternatives were considered before deciding on the Rights Issue, including debt financing and equity financing options such as an open offer and the placement of new shares.

The Board determined that debt financing was not favorable, as it would increase the Group's gearing ratio. Given the current high-interest rate environment, debt financing would also result in higher ongoing interest expenses, which could negatively impact the Group's profitability.

In evaluating equity financing alternatives, the Board considered the placement of new shares sub-optimal, as it would lead to immediate dilution of existing shareholders' interests without offering them the opportunity to participate in the Company's capital base enlargement. While an open offer similarly allows qualifying shareholders to participate, it does not permit the trading of rights entitlements in the open market, making it less flexible than a rights issue.

The Directors believe that the Rights Issue provides greater financial flexibility for the Company. It strengthens the Company's capital base, enhances overall working capital to support the Group's development plans, and avoids increasing the Group's interest burden. Furthermore, the Rights Issue offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interest in the Company, thereby preventing dilution for those who fully take up their entitlements.

Based on the above considerations, the Directors are of the opinion that the terms of the Rights Issue are on normal commercial terms, fair and reasonable, and in the best interests of the Company and its Shareholders as a whole.

Our View

We have conducted desktop research on the development of AI and its applications in the marketing industry. China's share of the AI marketing market is expected to account for 25–30% by 2025, up from 20% in 2023, making it the largest regional player in this field. According to Statista's "Artificial Intelligence in China" report (2023), China's overall AI market is projected to exceed US\$130 billion by 2025, with marketing applications expected to contribute 15–20% of that total. In light of this, the global market revenues of AI usage in marketing are anticipated to reach approximately US\$47 billion in 2025 and are projected to exceed US\$107 billion by 2028, according to Statista.

The Group's proposed AI Model is designed to enhance operational scalability, improve campaign efficiency, and deliver highly personalized marketing solutions. The detailed execution plan, which includes the recruitment of technical experts, investment in advanced computing infrastructure, and the development of proprietary datasets, demonstrates a clear strategic direction and feasibility. We find that the AI application initiative is fair, reasonable, and necessary for the Group's long-term competitiveness and growth.

We have also reviewed the proposed use of proceeds from the Rights Issue. The Group has outlined a detailed and reasonable allocation plan, with approximately 92.3% of the net proceeds earmarked for the development of the AI Model and 7.7% for purchasing media resources. The breakdown of expenses, including recruitment, computing infrastructure, data services, and media resource procurement, is comprehensive and supports the Group's stated objectives.

The proposed allocation reflects the Group's strategic focus on AI-driven marketing services and its commitment to enhancing its capabilities across all stages of the marketing value chain. The investments in high-performance GPU clusters, cloud computing, and data security measures further demonstrate a disciplined and forward-looking approach to capital utilization. Given the specificity and clarity of the plans, we view the proposed use of proceeds as reasonable and necessary to support the Group's development goals.

In evaluating the Group's financial position, we reviewed the 2024 Annual Report and 2025 Interim Report. While the Group achieved a significant revenue increase of approximately 50.2% in FY2024, rising from approximately RMB1,192.04 million in FY2023 to approximately RMB1,790.77 million in FY2024, it recorded a net loss of approximately RMB185.57 million in FY2024 compared to a net profit of approximately RMB33.06 million in FY2023. Similarly, in the 1H2025, the Group reported a net loss of approximately RMB60.63 million, compared to a net profit of approximately RMB7.17 million in 1H2024.

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Additionally, the Group's cash and cash equivalents decreased significantly, with a balance of only approximately RMB4.15 million as at 30 June 2025, compared to approximately RMB21.28 million at 31 December 2024. The decline in cash reserves highlights the Group's substantial cash requirements, particularly for prepayments and deposits associated with its strategic partnerships with leading media platforms such as Douyin and Kuaishou.

In light of the Group's current liquidity position, we believe that the proceeds from the Rights Issue are critical to replenishing working capital and supporting the Group's AI development and media resource procurement plans. Without this fundraising initiative, the Group may face challenges in sustaining its operations and executing its business strategy.

We have also reviewed the working capital forecast of the Group for at least the next twelve months from the date of the publication of this Circular and the comfort letter from the Company's auditors in relation to working capital sufficiency and we are of the view that the Company would have sufficient working capital after the completion of the Rights Issue.

We also note that the Company has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing of new Shares and open offer. As per our discussion with the Directors, it was noted that debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. As stated above, despite the increase in revenue for FY2024 and 1H2025, the Group has recorded net losses, primarily attributable to the increase in provision for impairment loss on trade receivables and other financial assets and provision for impairment loss on intangible assets recognized. As at 30 June 2025, the Group had borrowings of approximately RMB78.53 million. The Group's gearing ratio (which equals to total debt divided by total capital plus total debt, where total debt includes borrowings, lease liabilities, amounts due to Directors and amounts due to related parties, and capital includes equity attributable to owners of the Company) was 16.6% as at 30 June 2025. On the other hand, the Group only had bank and cash balances of approximately HK\$4.15 million as at 30 June 2025, which were insufficient to cover the total borrowings of approximately HK\$78.53 million which is due within one year.

We further noted that as at the close of business on 31 July 2025, being the latest practicable date for the purpose of the indebtedness statement as set out in Appendix I to this Circular, the Group had total bank borrowings of approximately RMB78.48 million (all being due within one year) and lease liabilities relating to offices leased by the Group as lessee of approximately RMB9.33 million. The bank borrowings were fixed rate borrowings which carried annual interest per annum at range from 2.95% per annum ("p.a.") to 4.90% p.a..

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In addition, as at 30 June 2025, the Group had a total non current assets amounted to approximately RMB105.93 million, comprising RMB92.36 million of interests in associate and deferred tax assets. Based on the latest assets position of the Group, banks would not be able to provide additional financing without sufficient collateral. We have also discussed with the management of the Company and were given to understand that banks had rejected additional bank borrowings to the Group given the current financial position of the Group.

With regard to equity financing, we noted that the Group had conducted two rounds of fund raising through subscription of new shares under general mandate in March and July 2025 and the proceeds has already been fully utilised as intended. Placing of new Shares would only be available to certain placees who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market and accordingly, Shareholders must either participate in the offer or lose the benefit of any discount at which the new shares are offered. The Rights Issue will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro rata shareholding interests in the Company or trade the relevant nil-paid Rights Shares in the market thus reducing impact from dilution of their shareholdings

Based on the above analysis, we are of the view that the proposed Rights Issue provides certainty and flexibility for the Shareholders in whether to get the proportionate entitlements with their respective shareholding, which is fair and reasonable.

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III. Principal terms of the Rights Issue and the Placing Agreement

The Rights Issue

Set out below are the principal terms of the Rights Issue as extracted from the Letter from the Board:

Basis of the Rights Issue:	Six (6) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.4753 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue):	Approximately HK\$0.4725 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	96,000,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	up to 576,000,000 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Aggregate nominal value of the Rights Shares:	up to HK\$1,152,000 (assuming no Shares are issued or repurchased on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue:	up to 672,000,000 Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Gross proceeds from the Rights Issue:	up to approximately HK\$273.8 million before expenses (assuming no Shares are issued or repurchased on or before the Record Date)

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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 or issue or grant any options, warrants or other convertible securities which confer any right to convert into or subscribe for Shares on or before the Record Date. Assuming no Shares are issued or repurchased on or before the Record Date, the 576,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 600.0% of the total number of issued Shares and approximately 85.7% of the total number of issued Shares as enlarged by the issue of the Rights Shares.

Further details of the Rights Issue are outlined in the Letter from the Board.

The Placing Agreement

Set out below are the principal terms of the Placing Agreement as extracted from the Letter from the Board:

Placing Agent: I Win Securities Limited

The Placing Agent is a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the SFO.

Placing commission: Subject to completion of the Placing taking place, the Company shall pay a placing commission in Hong Kong dollars, of 0.2% of the amount (the “**Placing Commission**”) which is equal to the placing price multiplied by the number of the Unsubscribed Shares and the NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

Placing Price: Not less than HK\$0.4753 per Unsubscribed Share and the NQS Unsold Rights Shares.

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- Placing Period:** A period commencing from the first (1st) Business Day immediately after the date of announcement of the number of the Unsubscribed Shares and NQS Unsold Rights Shares (i.e. Monday, 24 November 2025 under the current timetable) and ending on 4:00 p.m. on the fifth (5th) business after the date of announcement of the number of the Unsubscribed Shares and NQS Unsold Rights Shares (both days inclusive).
- Placees:** The Unsubscribed Shares and NQS Unsold Rights Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties and not acting in concert with the Placing Agent and its concert parties. The Placing Agent shall also ensure that the public float requirement under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue.
- Ranking of the placed Unsubscribed Shares and NQS Unsold Rights Shares:** The placed Unsubscribed Shares and NQS Unsold Rights Shares (when allotted, issued and fully-paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
- Conditions of the Placing Agreement:** The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:
- (i) the Rights Issue having become unconditional;
 - (ii) the Company's warranties contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing;

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- (iii) the Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Shares and the NQS Unsold Rights Shares with or without conditions;
- (iv) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions can be waived. In the event that the above conditions precedent have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination).

As at the Latest Practicable Date, none of the conditions have been fulfilled.

Termination:

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or

- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (v) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

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Further details of the terms and conditions of the Placing Agreement are outlined in the Letter from the Board. As disclosed in the Letter from the Board, 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 for rights issues in the market, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions.

Our Assessment on the principal terms of the Rights Issue and the Placing Agreement

As disclosed in the Letter from the Board, the Subscription Price of HK\$0.4753 per Rights Share represents:

- (i) a discount of approximately 22.08% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 24.56% to the average closing price 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\$0.63;
- (iii) a discount of approximately 26.88% to the average closing price 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\$0.65;
- (iv) a discount of approximately 27.98% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 20.63% represented by the theoretical diluted price of approximately HK\$0.50 to the benchmarked price of approximately HK\$0.63 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.61 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\$0.63 per Share);
- (vi) a discount of approximately 4.94% to the theoretical ex-rights price of approximately HK\$0.50 per Share based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (vii) a discount of approximately 91.29% to the consolidated net asset value per Share attributable to the Shareholders as at 31 December 2024 of approximately HK\$5.46 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately RMB481.0 million (equivalent to approximately HK\$524.3 million based on the exchange rate of RMB1:HK\$1.09) as set out in the annual report of the Company for the year ended 31 December 2024 and 96,000,000 Shares in issue as at the Latest Practicable Date; and
- (viii) a discount of approximately 90.53% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 of approximately HK\$5.02 calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately RMB442.0 million (equivalent to approximately HK\$481.8 million based on the exchange rate of RMB1:HK\$1.09) as set out in the interim results announcement of the Company for the six months ended 30 June 2025 and 96,000,000 Shares in issue as at the Latest Practicable Date.

The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined taking into consideration (i) the recent market price of the Shares since April 2025, which presented an overall downward trend from HK\$7.43 per Share on 3 April 2025 to HK\$0.61 on the Last Trading Day; (ii) the prevailing market conditions in Hong Kong taking into consideration the rather cautious investment sentiment of the general public investors in Hong Kong amid economic uncertainties; (iii) the low trading volume of the Shares for the three months immediately preceding the Last Trading Day with the average daily trading volume of approximately 1,530,589 Shares, representing approximately 1.59% of the total number of issued Shares as at the Last Trading Day; and (iv) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed “Reasons for and benefits of the Rights Issue and the use of proceeds” above. The Directors consider that the Rights Issue will provide the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group and the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to take up their entitlements, thereby minimising possible dilution impact.

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The Directors consider that it is reasonable to set the Subscription Price at a discount to the prevailing market price and the consolidated net asset value per Share as illustrated above, taking into account that (i) based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day, the Shares have been traded at a discount of approximately 87.85% to the unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$5.02; (ii) during the three months immediately preceding the Last Trading Day, the Company's average daily trading volume of approximately 1,530,589 Shares represented merely approximately 1.59% of the total number of issued Shares as at the Last Trading Day, which indicated a lack of liquidity and demand for the Shares; (iii) the latest business performance and financial position of the Group, particularly that the Group recorded a change from net profit of approximately RMB33.1 million for the year ended 31 December 2023 to net loss of approximately RMB185.6 million for the year ended 31 December 2024; and (iv) the relatively large fundraising size when compared with the market capitalisation of the Company as at the Last Trading Day.

It is also observed that the Group's market capitalization exhibited a downward trend during the Review Period. The average market capitalization of the Group was approximately HK\$207.39 million, which is significantly lower than the Group's net assets of approximately HK\$578.02 million as at 31 December 2023, HK\$482.41 million as 31 December 2024, and HK\$446.87 million as at 30 June 2025. Also, If the Subscription Price were set at a level close to the Company's unaudited consolidated net asset value per Share as at 30 June 2025 (i.e., approximately HK\$5.02), it would represent a substantial premium of approximately 8.23 times compared to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day. Given that the market valuation of the Group has consistently traded at a significant discount to its net asset values, we concur with the Directors' view that setting the Subscription Price with reference to the net asset value per Share would likely diminish Shareholders' willingness to participate in the Rights Issue, which would not be favourable to the Company and the Shareholders as a whole. In addition based on our comparable analysis below, it is noted that setting the subscription price at a discount to the net assets value is a common market practice to enhance the attractiveness of rights issue transactions and encourage shareholder participation. Among the 19 Comparables, 11 set their subscription prices at various degrees of discount to their respective net assets value and only 5 out of the 19 Comparables set their subscription prices at premium to their respective net assets value. The discount/premium ranged from a premium of approximately 98.63% to a discount of approximately 93.78%, with an average discount of approximately 36.08% and a median discount of approximately 75.64% relative to their respective net assets value. The discount of approximately 87.85% of the Company's Subscription Price to its net assets value falls within this range of the Comparables. Therefore, we concur with the Directors' view that, if the Subscription Price was made with reference to the net asset value per Share, the

willingness of the Shareholders to participate in the Rights Issue would be significantly reduced, which would not be favourable to the Company and the Shareholders as a whole.

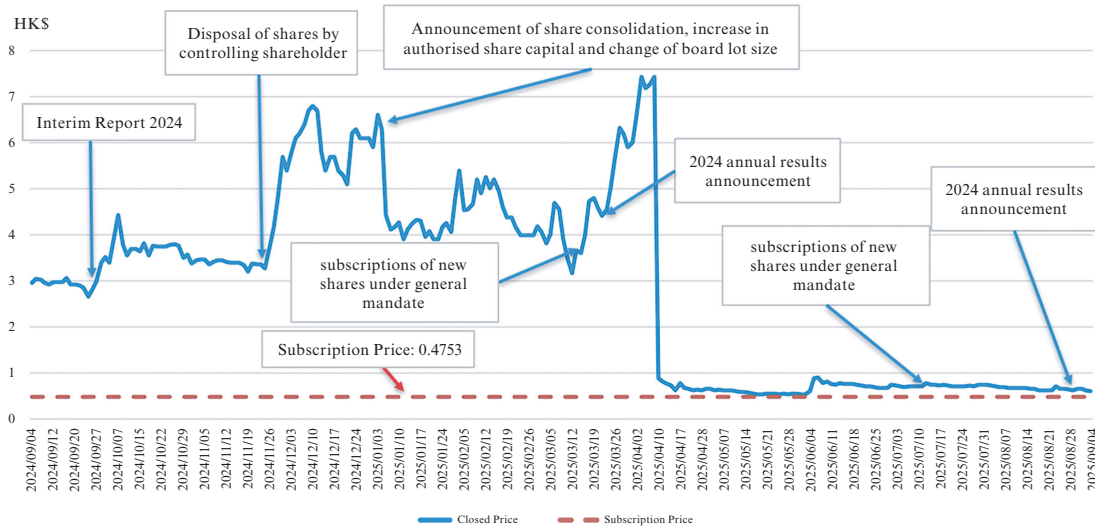
After thoroughly evaluating current market conditions and sentiment, relatively stagnant trading volume of the Shares and shareholder sentiment, the Board has determined that a discount to the current market price of the Shares, consolidated net asset value per Share as well as the benchmark price (as defined under Rule 7.27B of the Listing Rules) of the Shares would be necessary to provide adequate incentive to encourage the Shareholder and potential investors to participate in the Rights Issue, while ensuring the fundraising objectives can be met. Despite the relatively substantial theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), the Directors consider that such effect is inevitable in order to achieve fundraising objectives and incentivise the Shareholders to participate in the Rights Issue considering the lack of liquidity and relatively stagnant trading volume of the Shares as demonstrated above. Accordingly, despite the Subscription Price is priced at a discount to the current market price of the Shares, consolidated net asset value per Share and the benchmark price of the Shares, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors consider that, in view of prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are on commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK\$0.4725 per Rights Share.

Share price performance

In order to assess the fairness and reasonableness of the Subscription Price, we reviewed the daily closing price of the Shares (taking into account the Company's share consolidation as disclosed in the Company's announcement dated 6 January 2025, which became effective on 12 February 2024) as quoted on the Stock Exchange from 4 September 2024 up to and including the Last Trading Day (the "**Review Period**"), being a period of approximately one year up to and including the Last Trading Day, which is commonly adopted for analysis, and the number of trading days during the Review Period is sufficient for us to perform a thorough analysis on the historical closing prices of Shares with the Subscription Price. Hence, we consider the duration of the Review Period is adequate and appropriate. The comparison of daily closing prices of the Shares and the Subscription Price is illustrated as follows.

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Source: website of the Stock Exchange

From the beginning of the Review Period to early October 2024, the closing price of the Shares fluctuated within the range of HK\$2.66 to HK\$3.52. Subsequently, the price experienced a notable surge, reaching a peak of HK\$4.44 on 7 October 2024. Following this, the closing price generally stabilized before increasing significantly to reach HK\$6.8 on 11 December 2024.

From 11 December 2024 onward, the closing price entered a downward trend, reaching a low of HK\$3.16 on 12 March 2025. The price then rebounded sharply, achieving the highest closing price of the Review Period at HK\$7.43 on 3 April 2025. However, this was followed by a substantial decline of approximately 88.16%, with the price dropping to HK\$0.88 on 10 April 2025. The Board is not aware of any reasons for the decrease in closing price of the Shares.

Subsequent to this sharp decline, the closing price stabilized and oscillated between HK\$0.53 and HK\$0.90 until the Last Trading Date.

The Subscription Price of HK\$0.4753 is below the closing prices of Shares during the Review Period. Despite the Subscription Price represents a discount to the closing prices of Shares during the Review Period, the Subscription Price is being set close to the most recent closing price in the past five months as this reflected the market prices of Shares traded and the market sentiment on the prospects of the Company at the time. As explained below, it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant shares in order to increase the attractiveness of the rights issue and encourage shareholders to participate in it.

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Trading liquidity of the Shares

Set out below are (i) the number of trading days; (ii) average daily trading volume of the Shares (taking into account the Company's share consolidation as disclosed in the Company's announcement dated 6 January 2025, which became effective on 12 February 2025); and (iii) the percentage of the average daily trading volume of the Shares to the total number of issued Shares as at the Latest Practicable Date, during the Review Period.

Month/Period	Number of trading days	Average daily trading volume of the Shares during the month/period	Average daily trading volume of the Shares during the month/period to the total number of issued Shares as at the Latest Practicable Date (Note)
2024			
September	17	400,050	0.02%
October	21	1,056,300	0.05%
November	21	2,863,250	0.14%
December	20	21,244,850	1.11%
2025			
January	19	7,814,700	0.43%
February	20	2,074,916	0.11%
March	21	3,046,500	0.15%
April	19	191,802,170	10.52%
May	20	15,301,349	0.80%
June	21	73,015,928	3.62%
July	22	15,846,999	0.75%
August	21	11,730,036	0.58%
September (up to and including the Last Trading day)	4	2,167,500	0.56%

Source: website of the Stock Exchange

Note: Based on 96,000,000 issued Shares as at the Latest Practicable Date as disclosed in the Letter from the Board.

During the Review Period, the average daily trading volume of the Adjusted Shares ranged from approximately 0.02% to 10.52% of the total number of Adjusted Shares in issue. We consider the average daily trading volume of 10.52% in April 2025 as an outlier as we have discussed with the Board about the substantial increase in trading volume, however, the Board is not aware of any reasons for the increase in trading of the Shares. Excluding the outlier, the trading

liquidity of the Adjusted Shares remains generally thin during the entire Review Period. As such, we consider that it is reasonable for the Subscription Price to be set at a discount to the prevailing closing prices of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue.

Comparable analysis

To assess the fairness and reasonableness of the terms of the Rights Issue, we have analyzed the subscription prices of other recent rights issue exercises. Based on the criteria of (i) rights issues conducted by listed companies on the Stock Exchange; and (ii) rights issues that issued relevant prospectuses during the three months prior to the Last Trading Day (the “**Comparison Review Period**”), we have identified an exhaustive list of 19 comparable rights issues (the “**Comparables**”). We consider that the Comparison Review Period is sufficient as it is intended to identify the most recent rights issue transactions conducted by companies listed on the Stock Exchange under the market conditions and sentiment close enough to that of the Rights Issue, thus allowing reasonable comparison of their commercial terms. Given that (i) such period would provide us with the recent and relevant information to demonstrate the prevailing market practice prior to the Announcement under the prevailing market conditions; and (ii) we are able to identify sufficient and reasonable samples size for selection of Comparables within the Comparison Review Period. We consider the Comparison Review Period of approximately three months is fair and reasonable.

It is noted that the business and prospects of the Company, as well as its market capitalization and gross proceeds from the Rights Issue, differ from those of the Comparables. However, the market capitalization of the Company on the Last Trading Day and the gross proceeds of the Rights Issue fall within the range of those of the Comparables. The Comparables intend to apply the proceeds from their respective rights issue transactions to a combination of business operations, debt repayment, and working capital, while the Company intends to use the proceeds for business development and working capital.

We consider that the terms of the Comparables were determined under similar market conditions and sentiment. Therefore, the Comparables provide a general reference for the key terms of rights issue transactions. On this basis, we consider the Comparables to be indicative in assessing the fairness and reasonableness of the terms of the Rights Issue (including the Subscription Price).

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Sets forth below the table of the details of the Comparables including business nature, market capitalisation, gross proceeds and key commercial terms such as premium or discount of subscription prices over or to closing prices and theoretical dilution effect of the rights issue transactions:

Date of prospectus	Company Name	Principal business	Market capitalisation on the last trading day	Gross proceeds (full subscription)	Use of proceeds	Basis of entitlement	Premium/ (discount) of the subscription price over/to the average closing price for the five consecutive trading days including and up to the last trading day			Theoretical dilution effect	Fully underwritten Yes = Y No = N	Placing arrangement	
							Premium/ (discount) of the subscription price over/to the closing price per share on the last trading day	Premium/ (discount) of the subscription price over/to the average closing price for the five consecutive trading days including and up to the last trading day	Premium/ (discount) of the subscription price over/to unaudited consolidated net asset value			Commission	Fixed fees
09-Jun-25	CHINA SCI-TECH INDUSTRIAL INVESTMENT GROUP LIMITED (339)	Investment and trading of listed and unlisted securities	35.42	10.08	Debt repayment, working capital	1 for 2	(43.10%)	(47.40%)	n/a	16.20%	N	1.50%	N
23-Jun-25	YUZHOU GROUP HOLDINGS COMPANY LIMITED (1628)	Property development, investment, management and hotel operation	870.34	112.2	Business development, debt repayment, working capital	49 for 100	(73.68%)	(72.99%)	n/a	24.23%	N	N	N
23-Jun-25	XINMING CHINA HOLDINGS LIMITED (2699)	Property development, investment and leasing	24.42	93.8	Debt repayment, working capital	4 for 1	(13.80%)	(18.80%)	n/a	16.90%	N	3.00%	N
25-Jun-25	GLOBAL STRATEGIC GROUP LIMITED (8007)	Natural gas supply, sales and leasing of equipment	14.59	51.1	Debt repayment, working capital	4 for 1	(12.50%)	(14.10%)	(0.847)	11.30%	N	3.00%	N
04-Jul-25	MEMESTRATEGY, INC. (2440)	Hardware and software for Internet of Thing	615.75	154.8	Business development, working capital	1 for 2	(49.70%)	(50.00%)	0.502	16.60%	N	N	N
07-Jul-25	GREENHEART GROUP LIMITED (94)	Log harvesting, timber processing and timber products	74.2	33.7	Business development, working capital	1 for 2	(9.25%)	(4.97%)	(0.888)	3.00%	N	2.00%	N
11-Jul-25	AustAsia Group Ltd. (2425)	Production and sales of raw milk, beef cattle and feed products	1,106.73	313.81	Debt repayment, working capital	2 for 5	(29.11%)	(29.11%)	50.20%	8.23%	N	N	N
16-Jul-25	Mansion International Holdings Limited (8456)	Manufacturing and sale of baby clothing and clothing accessories	9.52	30.7	Debt repayment, working capital	4 for 1	(22.90%)	(23.50%)	98.63%	18.80%	N	1.50%	N
18-Jul-25	Capital Realm Financial Holdings Group Ltd (204)	Investment holding business	49.81	155.7	Bond repayment, future investments working capital	3 for 1	4.17%	21.36%	(86.28%)	0.00%	N	3.00%	N
25-Jul-25	Sanergy Group Limited (2459)	Manufacturing of graphite electrodes	205.2	45.6	Business development, working capital	1 for 2	(55.60%)	(56.30%)	(89.00%)	18.80%	N	3.50%	N
29-Jul-25	Zhongzheng International Co Ltd (943)	Manufacture and sales of healthcare and household products	128.24	114.6	Debt repayment, business development, working capital	1 for 2	0.00%	0.00%	(54.40%)	0.00%	N	2.00%	N
15-Aug-25	Da Yu Financial Holdings Ltd (1073)	Provision of corporate finance advisory services and asset management services	328.12	136.7	Business development, working capital, new fund set-up	1 for 2	(16.67%)	(18.92%)	(45.45%)	6.63%	N	N	N
15-Aug-25	HSC Resources Group Ltd (1850)	Designing, supply and installation of fire safety systems for buildings under construction	30.93	73.27	Business development, working capital	4 for 1	(24.49%)	(23.19%)	(93.78%)	19.43%	N	1.50%	N
20-Aug-25	XJ International Holdings Co Ltd (1765)	Higher education and secondary vocational education services	1,677.89	137.08	Bond repayment	1 for 12	(1.96%)	(0.50%)	(83.61%)	0.15%	N	0.50%	N
22-Aug-25	Bonjour Holdings Limited (653)	Retail business of beauty and health care products.	48.35	107.45	Debt repayment, business development, investment	3 for 1	(25.93%)	(27.93%)	(75.91%)	20.95%	N	2.00%	N
28-Aug-25	Risecomm Group Holdings Ltd (1679)	Research, development, production and sales of power line communication products and the provision of smart manufacturing & industrial automation services (SMIA) and products.	32.99	127.86	Debt repayment, working capital	5 for 1	(22.48%)	(20.63%)	n/a	18.73%	N	0.50%	N

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Date of prospectus	Company Name	Principal business	Market capitalisation on the last trading day	Gross proceeds (full subscription)	Use of proceeds	Basis of entitlement	Premium/ (discount) of the subscription price over/to the average closing price for the five consecutive trading days including and up to the last trading day			Theoretical dilution effect	Fully underwritten Yes = Y No = N	Placing arrangement	
							Premium/ (discount) of the subscription price over/to the closing price per share on the last trading day	Premium/ (discount) of the subscription price over/to the average closing price for the five consecutive trading days including and up to the last trading day	Premium/ (discount) of the subscription price over/to unaudited consolidated net asset value			Commission	Fixed fees
01-Sep-25	TOMO Holdings Limited (6928)	Sales and installation of passenger vehicle leather upholstery, and electronic accessories.	213.75	40.5	Business development, working capital	1 for 2	(62.10%)	(63.20%)	25.00%	21.30%	N	1.00%	N
02-Sep-25	Pinestone Capital Ltd. (804)	Securities brokerage services, securities-backed lending services and placing and underwriting services.	69.22	60.7	Business development, lending to clients, working capital	3 for 2	(40.71%)	(41.63%)	(75.64%)	24.98%	N	5.00%	N
03-Sep-25	China Health Group Limited (673)	Trading of medical equipment and consumables	68.83	80.9	Debt repayment, working capital	3 for 10	(28.60%)	(37.10%)	12.40%	23.70%	Y	2.00%	N
	The Company	Integrated marketing services and SaaS interactive marketing services	58.56	273.8	AI model development, business development	6 for 1	(22.08%)	(24.56%)	(91.29%)	20.63%	N	0.20%	N
Maximum			1,677.89	313.81			4.17%	21.36%	98.63%	24.98%		5.00%	
Average			309.38	103.92			(26.96%)	(26.75%)	(36.08%)	14.10%		2.18%	
Median			69.22	93.80			(24.49%)	(23.50%)	(75.64%)	16.90%		2.00%	
Minimum			9.52	10.08			(73.68%)	(72.99%)	(93.78%)	0.00%		0.50%	

Subscription price

The subscription price of the Comparables ranged from a premium of approximately 4.17% to a discount of approximately 73.68%, with an average discount of approximately 26.96% and a median discount of approximately 24.49% relative to their respective closing prices per share on the last trading day. The discount of approximately 22.08% of the Company's Subscription Price to the closing price per Share on the Last Trading Day falls within this range and is shallower than the average discount and the median discount of the Comparables.

For the five consecutive trading days, including and up to the last trading day, the subscription price of the Comparables ranged from a premium of approximately 21.36% to a discount of approximately 72.99%, with an average discount of approximately 26.75% and a median discount of approximately 23.50%. The discount of approximately 24.56% of the Company's Subscription Price for the five consecutive trading days, including and up to the last trading day falls within this range and is shallower than the average discount and the median discount of the Comparables.

It is noted that setting the subscription price at a discount to the prevailing market prices of the relevant shares is a common market practice to enhance the attractiveness of rights issue transactions and encourage shareholder participation. Among the 19 Comparables, 17 set their subscription prices at various degrees of discount to their respective closing prices on the last trading day and the average closing price over the five consecutive trading days. In line

with this market practice, the Subscription Price was also set at a discount to the closing price on the Last Trading Day and the average closing price over the five consecutive trading days.

Even though the range of the above discounts/premium of the subscription prices to the Comparables to the benchmarked prices can be wide, we are of the view that the Comparables are fair and representative samples which form a meaningful comparison to assess the fairness and reasonableness of the Subscription Price for the reasons that the above rights issues are conducted by listed companies on the Stock Exchange; and the above rights issues issued relevant prospectuses during the Comparison Review Period which is most updated. We are of the view that it is intended to identify the most recent rights issue transactions conducted by companies listed on the Stock Exchange under the market conditions and sentiment close enough to that of the Rights Issue, thus allowing reasonable comparison of their commercial terms. Therefore, we consider that the terms of the Comparables were determined under similar market conditions and sentiment and the Comparables provide a general reference for the key terms of rights issue transactions. On this basis, we consider the Comparables to be indicative in assessing the fairness and reasonableness of the terms of the Rights Issue (including the Subscription Price).

As at the Latest Practicable Date, it is noted that 15 out of 19 Comparables have been completed, with non being terminated.

Nonetheless, non-participating Shareholders who do not wish to proceed with the Rights Issue, for reasons such as the degree of discount to the closing prices per Adjusted Share, may trade their entitlements in the market. This provides an opportunity to mitigate the impact from the dilution of their shareholdings.

Placing commission

The Company has entered into the Placing Agreement with the Placing Agent for the placement of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best-effort basis. Under the Placing Agreement, the Placing Agent is entitled to a commission of 0.2% on the amount successfully placed by the Placing Agent. It is noted that, there are 15 Comparables with placing compensation to placing agents in the form of placing commissions. The placing commissions of the Comparables ranged between 0.5% and 5.0%. As such, the placing commission of 0.2% for the Rights Issue is notably below the minimum of the range observed in the Comparables, highlighting its cost-efficiency and favorability for the Company and its Shareholders.

Having considered that (i) the general downward trend of the closing prices of the Shares; (ii) the thin trading volume of the Shares during the Review Period; (iii) the discount to closing prices offered by the Subscription Price, which is in line with common market practices and falls within the range of that of the Comparables; (iv) theoretical dilution effect of the Rights Issue is in compliance

with the theoretical dilution limit as defined under the Listing Rules; (v) the discount to closing prices offered by the Subscription Price could enhance the attractiveness of the Rights Issue and encourage Qualifying Shareholders to participate in it, and (vi) the favorable placing commission, which is lower than the range of the Comparables, we are of the view that the Subscription Price is on normal commercial term and is fair and reasonable so far as the Independent Shareholders are concerned.

Possible dilution effect on the shareholding interests of the existing Public Shareholders

The Rights Issue provides Qualifying Shareholders with the opportunity to maintain their proportional interests in the Company and to participate in its future development, should they choose to do so. However, those Qualifying Shareholders who opt not to subscribe to the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue, with their aggregate interests potentially reduced by a maximum of approximately 20.63%. As illustrated in the table above, the theoretical dilution effect of the Comparables ranged from approximately nil to 24.98%, with an average of 14.10% and a median of 16.90%. The theoretical dilution effect of the Rights Issue, at approximately 20.63%, falls within the range of the Comparables, although it is deeper than both the average and median dilution effects. Nonetheless, the theoretical dilution effect of the Rights Issue complies with the theoretical dilution limit as defined under the Listing Rules.

Having considered (i) the theoretical dilution effect of the Rights Issue falls within the range of the Comparables and complies with the dilution limit under the Listing Rules; (ii) the proceeds from the Rights Issue will be applied toward the Group's AI Model development; (iii) the Rights Issue will strengthen the Group's financial position; (iv) all Qualifying Shareholders are given an equal opportunity to maintain their shareholding interests and participate in the Company's development; (v) the inherent dilutive nature of rights issues in general if existing shareholders do not fully take up their entitlements; and (vi) the flexibility provided to Qualifying Shareholders who choose not to subscribe, as they may dispose of their nil-paid Rights Shares in the open market, we consider that the potential dilution effect of the Rights Issue is justifiable.

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IV. Effects on the shareholding structure of the Company

Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Controlling Shareholders pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent places:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Controlling Shareholders pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent places	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Many Idea Liujianhui (Notes 1 and 3)	6,664,031	6.94	46,648,217	6.94	46,648,217	6.94
Xiamen Dream Future (Notes 2 and 3)	9,474,816	9.87	66,323,712	9.87	66,323,712	9.87
Many Idea Qushuo (Notes 3 and 4)	118,432	0.12	829,024	0.12	829,024	0.12
Subtotal	16,257,279	16.93	113,800,953	16.93	113,800,953	16.93
<i>Director</i>						
Mr. Chen Zeming	98,163	0.10	687,141	0.10	98,163	0.01
Subtotal	16,355,442	17.04	114,488,094	17.04	113,899,116	16.95
Independent places	—	—	—	—	478,456,326	71.20
Other public Shareholders	79,644,558	82.96	557,511,906	82.96	79,644,558	11.85
Total	96,000,000	100.00	672,000,000	100.00	672,000,000	100.00

Notes:

- Many Idea Liujianhui is an investment holding company beneficially and wholly owned by Mr. Liu. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Many Idea Liujianhui.

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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. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places. Percentages may not add up to 100% due to rounding.
6. Pursuant to the Placing Agreement, the Placing Agent shall also ensure that the public float requirement under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

V. Possible Financial Effects of the Rights Issue

In terms of net tangible assets per Share, as set out in Appendix II to this Circular, upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share as at 30 June 2025 immediately after the completion of the Rights Issue would be approximately RMB1.05 (assuming all Qualifying Shareholders have taken up the Rights Shares), representing a decrease of 80.89% as compared to the unaudited consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share as at 30 June 2025 before the completion of the Rights Issue of approximately RMB5.50. Despite a reduction of approximately 80.89% in the consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share upon completion of the Rights Issue, we have carefully considered (i) the reasons for the Rights Issue as outlined in the Letter from the Board, and (ii) the rights of the Qualifying Shareholders to take up their respective entitlements. This allows them to maintain their shareholdings in the Company and participate in the Group's potential growth. In our view, the overall impact on the consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share is fair and reasonable, and it serves the best interests of the Company and its Shareholders as a whole.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

In terms of liquidity position, the Group had bank balances and cash of approximately HK\$4.2 million and the Group had current assets of approximately HK\$705.9 million and current liabilities of approximately HK\$358.3 million as at 30 June 2025, giving rise to a current ratio (being current assets divided by current liabilities) of approximately 2.0. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group may increase by up to the maximum amount of net proceeds from the Rights Issue; that is up to approximately HK\$272.2 million. In such case, the current ratio of the Group will potentially increase from approximately 2.0 to 2.7. As such, the current ratio and the Group's liquidity position will improve following the Rights Issue.

After taking into consideration the above, particularly the improvement in liquidity position of the Group, we are of the view that the Rights Issue is in the interest of the Company and the Shareholders as a whole

RECOMMENDATION

Taking into consideration the above principal factors and reasons, we are of the view that the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
First Global Corporate Finance Co., Limited
Wendy Liu
Managing Director

Ms. Liu is a licensed person registered with SFC and regarded as a responsible officer of Type 6 (advising on corporate finance) of First Global Corporate Finance Co., Limited. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since 2014.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three years ended 31 December 2024 and the six months ended 30 June 2025 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.manyidea.cloud):

- (i) the audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 83 to 163) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702483.pdf>);
- (ii) the audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 25 April 2024 (pages 84 to 155) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042502957.pdf>);
- (iii) the audited financial information of the Group for the year ended 31 December 2024 is disclosed in the annual report of the Company for the year ended 31 December 2024 published on 23 April 2025 (pages 98 to 173) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042301010.pdf>); and
- (iv) the unaudited financial information of the Group for the six months ended 30 June 2025 is disclosed in the interim results announcement of the Company for the six months ended 30 June 2025 published on 29 August 2025 (pages 2 to 39) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0829/2025082901625.pdf>).

2. INDEBTEDNESS STATEMENT

As at 31 July 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group's indebtedness are set out below:

	<i>RMB'000</i>
Bank borrowing — guaranteed and secured	
— Due within one year	<u>78,475</u>
Total	<u><u>78,475</u></u>
	<i>RMB'000</i>
Lease liabilities — unguaranteed and unsecured	
— Due within one year	4,020
— Due more than one year	<u>5,313</u>
Total	<u><u>9,333</u></u>

As at 31 July 2025, bank borrowings of RMB78,475,000 were fixed rate borrowings which carried annual interest per annum at range from 2.95% per annum (“**p.a.**”) to 4.90% p.a.. As at 31 July 2025, all bank borrowings were secured by corporate guarantee given by subsidiaries or the directors.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at 31 July 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Circular, the Group did not have any loan capital or debt securities issued and outstanding or agreed to be issued, or authorized or otherwise created but unissued, bank overdrafts, loans, term loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages and charges, hire purchase commitments, material contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since indebtedness statement; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; and (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources presently available to the Group including the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for at least the next twelve months from the date of the publication of this circular.

4. MATERIAL ADVERSE CHANGE

As disclosed in the interim results announcement of the Company for the six months ended 30 June 2025 (“**6M2025**”), the Group recorded net loss of approximately RMB60.6 million for 6M2025, as compared to net profit of approximately RMB7.2 million for the six months ended 30 June 2024 (“**6M2024**”), which was mainly due to (i) the decrease in gross profit as a result of the increase in the proportion of revenue from Douyin business, which had a lower total gross profit; (ii) the decrease in other revenue as a result of the decrease in government grants; (iii) the increase in administrative expenses as a result of the increase in research and development (“**R&D**”) investment in new R&D projects; and (iv) the increase in provision for impairment loss on trade receivables and other financial assets, net, because significant growth in revenue was accompanied by a rise in trade receivables, leading to an increase in provision for bad debts for 6M2025.

Save for the above, the Directors confirm that there was no material adverse change in the financial or trading position of the Group subsequent to 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in provision of content marketing, digital marketing, public relations event planning services, media advertising services and Software as a Service (the “SaaS”) interactive marketing services in the PRC. Through live streaming operation, short video recommendation, and KOL distribution comprehensive e-commerce operation, the Group assisted customers in reducing customer acquisition costs and enhancing brand competitiveness, visibility, and market share around Douyin ecosystem.

For FY2024, the Group’s total revenue amounted to approximately RMB1,790.8 million, representing an increase of approximately 50.2% from approximately RMB1,192.0 million for FY2023, primarily attributable to the abundance of experience in serving customers gleaned over the years, the introduction of schemes and products that better meet customer marketing needs, the ability to attract more investment from customers, and the impact of the Douyin projects which contributed to the substantial growth in revenue for the Group’s digital marketing services. Despite the aforesaid revenue growth, the Group recorded a change from net profit of approximately RMB33.1 million for FY2023 to net loss of approximately RMB185.6 million for FY2024, primarily attributable to (i) the increase in selling and marketing expenses by approximately RMB46.8 million mainly due to the increase in advertising and promotional expenses incurred by the Company; (ii) the increase in provision for impairment loss on trade receivables and other financial assets, net by approximately RMB63.2 million, mainly due to the fact that the Group’s significant revenue growth in FY2024 was accompanied by a rise in trade receivables, leading to an increase in provision for bad debts during FY2024; and (iii) the provision for impairment loss for intangible assets of approximately RMB107.8 million mainly due to the unexpected revenue decline and loss-making condition of the Group’s SaaS business during FY2024.

For 6M2025, the Group’s total revenue amounted to approximately RMB1,020.4 million, representing an increase of approximately 21.6% from approximately RMB839.3 million for 6M2024, primarily attributable to the enhanced Douyin market expansion capabilities, which drove the increase in revenue from Douyin business. Despite the aforesaid revenue growth, the Group recorded a change from net profit of approximately RMB7.2 million for 6M2024 to net loss of approximately RMB60.6 million for 6M2025, primarily attributable to (i) the decrease in gross profit by approximately RMB33.9 million mainly due to the increase in the proportion of revenue from Douyin business, which had a lower total gross profit; (ii) the decrease in other revenue by approximately RMB6.4 million mainly due to the decrease in government grants; (iii) the increase in administrative expenses by approximately RMB20.3 million as a result of the increase in R&D investment in new R&D projects; and (iv) the increase in provision for impairment loss on trade receivables and other financial assets, net by approximately RMB15.1 million, because significant growth in revenue was accompanied by a rise in trade receivables, leading to an increase in provision for bad debts for 6M2025.

Looking to the future, as the economy gradually recovers in the post-COVID-19 era, China is expected to construct more large venues for cultural and sports events, which is likely to draw more people to concerts, dramas, and sports events. According to the Opinions of the State Council on Implementing the Healthy China Action (《關於實施健康中國行動的意見》) and the Policy on Establishing the Healthy China Action Promotion Committee (《健康中國行動推薦委員會》), the Chinese government and residents have begun to pay more attention to promoting personal health and sports events. In such context, the Group will speed up efforts in offline events and rapidly expand the blueprint for the offline integrated marketing events to maximise the scale of the offline integrated marketing services. It is expected that content marketing services will continue to develop in the future. In addition, the Group will grasp new opportunities bestowed by the new era to focus on enhancing its efforts around social media, secure the first-class agent qualifications of Xiaohongshu and Tencent, and improve the brand-efficiency integration solutions services. Furthermore, the Group will focus on the industry, enhance industry expertise, improve media operational capabilities, strengthen traffic optimisation, and increase and expand its AI-enabled marketing capabilities.

(A) UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the rights issue of 576,000,000 rights shares at the subscription price of HK\$0.4753 per right share (the “**Rights Issue**”), on the basis of six rights shares for every one existing share held on the Record Date, on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 as if the Rights Issue had been taken place on 30 June 2025.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2025 as extracted from the published interim results announcement of the Company for the six-month period ended 30 June 2025, with adjustment described below.

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed on 30 June 2025 or any future date.

		Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue Offer	Unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company before the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after the completion of the Rights Issue
Consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 (Note 1) RMB'000	Estimated net proceeds from the Rights Issue (Notes 2 & 5) RMB'000				
		RMB'000	RMB	RMB	HK\$

Based on

576,000,000 rights
shares to be
issued at the
subscription price
of HK\$0.4753 per
rights share

439,602	249,468	689,070	5.4950	1.0504	1.1458
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Notes:

- 1) The amount of consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 was approximately RMB439,602,000, which is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2025 of RMB442,039,000, adjusted by intangible assets of RMB2,437,000 as shown on the consolidated statement of financial position of the Group as at 30 June 2025, as extracted from the published interim results announcement of the Company for the six-month period ended 30 June 2025.
- 2) The estimated net proceeds from the Rights Issue of approximately RMB249,468,000 are based on 576,000,000 rights shares to be issued, on the basis of six rights shares for every one existing share at the subscription price of HK\$0.4753 per rights share, after deduction of the estimated related expenses, including among others, transaction fees, which are directly attributable to the Rights Issue, of approximately RMB1,500,000.
- 3) The unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company before the completion of the Rights Issue is determined based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 of approximately RMB439,602,000 as set out in note 1 above, divided by 80,000,000 shares in issue as at 30 June 2025.
- 4) The unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 immediately after the completion of the Rights Issue of approximately RMB689,070,000 divided by 656,000,000 shares which comprise 80,000,000 shares in issue as at 30 June 2025 and 576,000,000 rights shares to be issued under the Rights Issue.
- 5) For the purpose of the Unaudited Pro Forma Financial Information, conversion of RMB and HK\$ is calculated at the exchange rate of RMB0.9167 to HK\$1.0 as of 30 June 2025. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, may be exchanged at this or any other rate or at all.
- 6) No adjustment has been made to reflect any trading or other transactions of the Group entered into subsequent to 30 June 2025, including but not limited to completion of subscription of 16,000,000 new shares under the general mandate as set out in the Company's announcement dated 21 July 2025. Had these 16,000,000 new shares were issued on 30 June 2025, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue would have increased by RMB12,713,000. The unaudited consolidated net tangible assets of the Group per share attributable to the owners of the Company before the completion of the Rights Issue would have decreased by RMB0.7834, the unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after the completion of the Rights Issue would have decreased by approximately RMB0.0061 (equivalent to HK\$0.0067).

(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Many Idea Cloud Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Many Idea Cloud Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 and related notes as set out in Appendix II of the Company’s circular dated 26 September 2025 (the “**Circular**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the rights issue on the basis of six rights shares for every one existing share held on the record date at the subscription price of HK\$0.4753 per rights share (“**Rights Issue**”) on the Group’s adjusted consolidated net tangible assets attributable to owners of the Company as at 30 June 2025 as if the Rights Issue had taken place at 30 June 2025. As part of this process, information about the Group’s consolidated net tangible assets attributable to owners of the Company has been extracted by the directors of the Company from the Group’s financial information for the six-month period ended 30 June 2025, on which an interim results announcement has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants

Hong Kong, 26 September 2025

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Issue and no further issue or repurchase of Shares from the Latest Practicable Date up to the completion of the Rights Issue) are set out as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.002 each	<u>2,000,000</u>
<i>Issued and paid-up share capital:</i>		
<u>96,000,000</u>	Shares of HK\$0.002 each	<u>192,000</u>

(ii) Immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Issue and no further issue or repurchase of Shares from the Latest Practicable Date up to the completion of the Rights Issue)

<i>Authorised:</i>		
<u>1,000,000,000</u>	Shares of HK\$0.002 each	<u>2,000,000</u>
<i>Issued and paid-up share capital:</i>		
<u>96,000,000</u>	Shares of HK\$0.002 each	<u>192,000</u>
<u>576,000,000</u>	Rights Shares to be allotted and issued upon completion of the Rights Issue	<u>1,152,000</u>
<u>672,000,000</u>	Shares in issue immediately after completion of the Rights Issue	<u>1,344,000</u>

All of the Shares in issue are fully-paid and rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

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

3. SHARE OPTION SCHEMES

The Group adopted a share option scheme on 12 October 2022 (the “**Share Option Scheme**”). As at the Latest Practicable Date, the total number of the Shares available for issuance upon exercise of all share options granted according to the Share Option Scheme was 4,000,000.

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 or issue or grant any options, warrants or other convertible securities which confer any right to convert into or subscribe for Shares on or before the Record Date.

4. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange were as follows:

Name of Directors	Capacity	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company ⁽¹⁾
Mr. Liu	Interest in controlled corporation ⁽²⁾	6,664,031 (L)	6.94%
	Interest in controlled corporation ⁽³⁾	9,474,816 (L)	9.87%
	Interest of spouse ⁽⁴⁾	118,432 (L)	0.12%
Ms. Qu	Interest of spouse ⁽⁴⁾	6,664,031 (L)	6.94%
	Interest of spouse ⁽⁴⁾	9,474,816 (L)	9.87%
	Interest in controlled corporation ⁽⁵⁾	118,432 (L)	0.12%
Mr. Chen Zeming	Interest in controlled corporation ⁽⁶⁾	98,163 (L)	0.10%

Notes:

(L) denotes long positions.

- Calculation is based on a total of 96,000,000 Shares, being the total number of shares issued as at the Latest Practicable Date.
- The said Shares were held in the name of Many Idea Liujianhui. Many Idea Liujianhui is an investment holding company beneficially and wholly owned by Mr. Liu. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Many Idea Liujianhui.

3. The said Shares were held in the name of Xiamen Dream Future. 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.
4. As Mr. Liu is the spouse of Ms. Qu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other.
5. The said Shares were held in the name of Many Idea Qushuo. 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.
6. The said Shares were held in the name of Many Idea ChenZeming Limited. The entire issued share capital of Many Idea ChenZeming Limited is wholly owned by Mr. Chen Zeming. Accordingly, Mr. Chen Zeming is deemed to be interested in such number of Shares held by Many Idea ChenZeming Limited by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, no other Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Substantial shareholders' interest in Shares and underlying shares

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company under section 336 of the SFO:

Name of Directors	Capacity	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company⁽¹⁾
Many Idea Liujianhui	Beneficial owner ⁽²⁾	6,664,031 (L)	6.94%
Xiamen Dream Future	Beneficial owner ⁽³⁾	9,474,816 (L)	9.87%
ZJJ Many Idea	Interest in controlled corporation ⁽³⁾	9,474,816 (L)	9.87%

Notes:

(L) denotes long positions.

1. Calculation is based on a total of 96,000,000 Shares, being the total number of shares issued as at the Latest Practicable Date.
2. The said Shares were held in the name of Many Idea Liujianhui. Many Idea Liujianhui is an investment holding company beneficially and wholly owned by Mr. Liu. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Many Idea Liujianhui.
3. The said Shares were held in the name of Xiamen Dream Future. 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.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions 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, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them or his/her/its respective close associates had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosable under the Listing Rules.

6. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors (i) had any interest in any assets which have been, since 31 December 2024 (being the date up to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and significant in relation to the business of the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

9. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have given opinions, letters or advices included in this circular:

Name	Qualifications
BDO Limited	Certified Public Accountants
First Global Corporate Finance Co., Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and/or the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years immediately preceding the date of this circular and which are or may be material to the Group:

- (i) the placing agreement dated 28 December 2023 entered into between the Company and Metaverse Securities Limited in relation to the unsubscribed arrangements in the Company's proposed open offer on the basis of one (1) offer share for every two (2) existing shares held on the relevant record date (the **"Open Offer"**);
- (ii) the underwriting agreement dated 28 December 2023 entered into between the Company and Many Idea Liu Jianhui, in relation to the Open Offer;

- (iii) the subscription agreements dated 15 June 2024 entered into between the Company and two subscribers (being Going Investment Fund SPC (高盈基金獨立組合公司) and Wang Wenwen (王文雯)) in relation to the subscriptions of an aggregate of 160,000,000 subscription shares at the subscription price of HK\$0.25 per Share under general mandate for net proceeds of approximately HK\$40.0 million;
- (iv) the subscription agreements dated 14 March 2025 entered into between the Company and six subscribers in relation to the subscriptions of an aggregate of 12,000,000 subscription shares at the subscription price of HK\$3.10 per Share under general mandate for net proceeds of approximately HK\$37.2 million;
- (v) the subscription agreements dated 11 July 2025 entered into between the Company and six subscribers in relation to the subscriptions of an aggregate of 16,000,000 subscription shares at the subscription price of HK\$0.6 per Share under general mandate for net proceeds of approximately HK\$9.6 million;
- (vi) the Irrevocable Undertakings; and
- (vii) the Placing Agreement.

11. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Board of Directors

Executive Directors

Mr. Liu Jianhui (*Chairman and Chief Executive Officer*)

Ms. Qu Shuo

Mr. Chen Shancheng

Mr. Chen Zeming

Ms. Liu Hong

Independent non-executive Directors

Ms. Wang Yingbin

Ms. Zhou Yan

Mr. Tian Tao

Registered office

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

Principal place of business in Hong Kong

18/Floor, 9 Queen's Road Central
Central
Hong Kong

Headquarter in the PRC	12/F, ERKE Group Mansion 11 Guanyin Shan Hualian Road Siming District, Xiamen Fujian Province, PRC
Company secretary	Mr. Chow Shing Lung
Hong Kong legal adviser	Anthony Siu & Co. 18/Floor, 9 Queen's Road Central Hong Kong
Auditor	BDO Limited <i>Certified Public Accountants</i> 25/F, Wing On Centre 111 Connaught Road Central Hong Kong
Principal banker	Shanghai Pudong Development Bank Co., Ltd. Xiamen Guanyinshan Sub-branch No. 2 of Unit 101 No. 161 Taidong Road Siming District, Xiamen, Fujian Province PRC
Branch share registrar in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Financial adviser	Rainbow Capital (HK) Limited Office No. 710, 7/F Wing On House No. 71 Des Voeux Road Central Hong Kong
Independent Financial Adviser	First Global Corporate Finance Co., Limited Room 1706–07, 17/F China Insurance Group Building 141 Des Voeux Road Central Central, Hong Kong

Placing Agent**I Win Securities Limited**

Room 3001–3002, 30/F
China Insurance Group Building
141 Des Voeux Road Central
Central,
Hong Kong

12. EXPENSES

The expenses in connection with the Rights Issue, including but not limited to the financial advisory fees, printing, registration, translation, legal and accounting fees are estimated to be approximately HK\$1.6 million, which are payable by the Company.

13. PARTICULARS OF DIRECTORS OF THE COMPANY**Executive Directors**

Mr. Liu Jianhui, aged 39, is the Chairman of the Board, the chief executive officer, an executive Director, one of the substantial shareholders and co-founder of the Group. Mr. Liu is responsible for the overall management and strategic planning of the Group. Mr. Liu is a director of each of Jiangxi Meita Culture Communication Co., Ltd. (江西鎂塔文化傳播有限公司), Xiamen Second Future Technology Co., Ltd. (廈門第二未來科技有限公司), Xinjiang Kashi Lianjie Culture Communication Co., Ltd. (新疆喀什聯界文化傳播有限公司), Beijing Many Idea Cloud Technology Co., Ltd. (北京多想雲科技有限公司), and Quanzhou Many Idea Interactive Culture Communication Co., Ltd. (泉州多想互動文化傳播有限公司). He is the spouse of Ms. Qu Shuo. Mr. Liu graduated from Huaqiao University (華僑大學), the PRC with a bachelor's degree in information management and system in June 2008, where he acquired and accumulated knowledge and experience in certain areas in integrated marketing services with the use of information management system. Further, since the establishment of Xiamen Many Idea Interactive Cloud Technology Co., Ltd. (廈門多想互動雲科技有限公司), Mr. Liu has gained experience in operation of business of integrated marketing services through, amongst others, organising large scale events such as concerts of popular singers and other marketing events. Mr. Liu has completed advanced study courses in PBC School of Finance, Tsinghua University, including (i) PBC School of Finance, Tsinghua University Industry and Finance CEO Training Programme; (ii) Cultural and Creative Financial Leadership Programme; and (iii) Scientific Entrepreneur Programme. In March 2017, Mr. Liu received the Annual Industry Contribution Award from the Federation of Regional PR Agencies in China (中國公共關係行業區域聯盟). Further, in November 2017, he received the 2017 Social Network Marketing Leader from the Advertiser for his outstanding achievements and contributions in the field of domestic social network marketing.

Ms. Qu Shuo, aged 39, is an executive Director and one of the substantial shareholders. Ms. Qu is primarily responsible for supervising daily operation of the Group. She is the spouse of Mr. Liu. Ms. Qu obtained her bachelor's degree in marketing in June 2008 from Huaqiao University, the PRC, where she acquired and accumulated knowledge and experience in certain areas in marketing, and a certificate of international investment and financing and capital operation from Xiamen University, the PRC in July 2017. Further, since the establishment of Xiamen Many Idea Interactive Cloud Technology Co., Ltd. (廈門多想互動雲科技有限公司), Ms. Qu has gained further experience in operation of business of integrated marketing services through, amongst others, organising large-scale events such as concerts of popular singers and other marketing events.

Mr. Chen Shancheng (“**Mr. Chen SC**”), aged 43, is primarily responsible for analysing and planning business strategies and looking for investment and acquisition opportunities for the Group. Prior to joining the Group, from August 2011 to June 2014, Mr. Chen SC served as a financial controller of A’ba State Zhonghe New Energy Co., Ltd. (formerly known as A’ba Prefecture Minfeng Lithium Industry Co., Ltd.) and Malkang Jinxin Mining Co., Ltd., a subsidiary of A’ba Prefecture Zhonghe New Energy Co., Ltd. Mr. Chen SC gained his strategic planning and investment experience through, for example, participating in certain investment projects involving negotiations, building financial models and reviewing financial statements of target activities and assets. From July 2014 to August 2015, Mr. Chen SC worked as a financial controller in Hengxing Gold Holding Company Limited (a company listed on the Hong Kong Stock Exchange up to January 2021 (former stock code: 2303)), a gold producer where he was responsible for, amongst others, exploring business and investment opportunities and reviewing investment projects with a view to recommending appropriate investment and planning decisions. From August 2015 to February 2017, he worked as a general manager in Xiamen Deep Century Investment Management Partnership (Limited Partnership), an investment management partnership firm. Mr. Chen SC obtained his bachelor's degree in accounting and master's degree in master of professional accounting from Xiamen University (廈門大學), the PRC in July 2004 and June 2014, respectively. He obtained his doctorate degree in business administration from a joint programme held by Shanghai Jiao Tong University (上海交通大學) and Singapore Management University (新加坡管理大學) in the PRC in June 2023.

Mr. Chen Zeming (“**Mr. Chen ZM**”), aged 35, is primarily responsible for overseeing the project planning and operation of the Group. Mr. Chen ZM holds diploma degree in advertising design and production obtained from Quanzhou Huaguang Vocational College of Photography and Art (泉州華光攝影藝術職業學院), the PRC in June 2011. Shortly after graduation, Mr. Chen ZM joined the Group and was responsible for project management in May 2012. Since joining the Group, Mr. Chen ZM has further acquired experience in the operation of the business of integrated marketing services through, amongst others, organising large-scale events such as concerts of popular singers and other marketing events. Mr. Chen ZM graduated from Communication University of China (中國傳媒大學), the PRC with a bachelor's degree in business management in July 2021 through distance learning.

Ms. Liu Hong (“**Ms. Liu**”), aged 30, has over 7 years of experience in corporate and enterprise management. Since February 2016, she has been an executive director and investor of Guiyang Dunxilu Tourism Co., Ltd. (貴陽市登喜路旅業有限公司), a company established in the PRC with business focus on, amongst others, tourism, catering, and catering management. She is currently an investor of Guangdong Huaminghui Culture and Art Co., Ltd. (廣東華茗匯文化藝術有限公司), a company established in the PRC with business focus on, amongst others, culture and arts exchange activities, management of cultural venues, and provision of exhibition and conferencing services. She has been appointed as the vice president (副總裁) of the PRC area of Versailles Hotel Chain Management Co., Ltd. (凡爾賽連鎖酒店管理有限公司), a company established in the PRC with hotel operation in the PRC since July 2023. Ms. Liu obtained the advanced diploma in Business and Administration conferred by Excel London College (Shatin), Hong Kong in January 2024.

Independent non-executive Directors

Ms. Wang Yingbin (“**Ms. Wang**”), aged 49. Since August 2011, Ms. Wang has been serving as a senior engineer at the School of Life Sciences of Xiamen University in the PRC. Since December 2018 and January 2019, Ms. Wang has served as a union president and a senior engineer at School of Public Health of Xiamen University in the PRC, respectively. Ms. Wang has served as an independent non-executive director of Xiamen Solex High-tech Industries Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 603992)) and Xiamen Yanjan New Material Co., Ltd. (廈門延江新材料股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300658)), since May 2020 and August 2021, respectively. Ms. Wang graduated from the Third Institute of Oceanography, Ministry of Natural Resources (自然資源部第三海洋研究所), the PRC with a master’s degree in marine biology in August 2001.

Ms. Zhou Yan, aged 35, has over 8 years of experience in the areas of accounting, audit and investment banking. From September 2015 to January 2020, she served as Senior Associate of Assurance at PricewaterhouseCoopers Hong Kong (香港羅兵咸永道會計師事務所). From November 2020 to August 2021, she worked as Assistant Vice President of Central China International Capital Limited (中州國際融資有限公司), a Hong Kong incorporated company focusing on corporate finance and capital market practices. From December 2021 to March 2023, she served as Assistant Vice President of Dongxing Securities (Hong Kong) Co., Ltd. (東興證券(香港)有限公司), a Hong Kong incorporated company focusing on securities and financial services. Ms. Zhou obtained a Master of Science in Accountancy from The Hong Kong Polytechnic University in October 2014 and a Bachelor Degree of Financial Management from Xiamen University Tan Kah Kee College in June 2013. She is a practicing member of The Hong Kong Institute of Certified Public Accountants.

Mr. Tian Tao (“Mr. Tian”), aged 67. From February 1999 to November 2015, Mr. Tian was the vice general manager of CVSCTNS Research Co Ltd. From November 2015 to June 2017, he was the president of Zhongguang Xincheng Information Technology Co., Ltd. From July 2017 to August 2018, he was the president of the Beijing office of Nielsen-CCData Media Research Services Co., Ltd. (尼爾森網聯媒介數據服務有限公司北京分公司). Since September 2018, he has been serving as the president of Zhongguang Rongxin Media Consulting (Beijing) Co., Ltd. (中廣融信媒介諮詢(北京)有限公司). Mr. Tian has served as an independent non-executive director of Icon Culture Global Company Limited (天泓文創國際集團有限公司) (a company listed on the GEM of the Hong Kong Stock Exchange (stock code: 8500)) since December 2019.

Business address of the Directors

The business address of the Directors is the same as the Company’s principal place of business in Hong Kong at 18/Floor, 9 Queen’s Road Central, Central, Hong Kong.

14. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent non-executive Directors, namely Ms. Wang Yingbin, Ms. Zhou Yan and Mr. Tian Tao. The primary duties of the audit committee include the review of the Group’s financial reporting process and the internal control systems as well as risk management of the Group.

15. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Chow Shing Lung, who joined the Company in August 2025. He was admitted as a solicitor of the High Court of Hong Kong and is currently a member of The Law Society of Hong Kong. He is also an associate member of both The Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom.
- (ii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (iii) The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.
- (iv) The English text of this circular and the accompanying form of proxy shall prevail over the respective Chinese text in case of inconsistency.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.manyidea.cloud) from the date of this circular up to and including the date of EGM:

- (i) the Letter from the Board, the text of which is set out on pages 10 to 44 of this circular;
- (ii) the letter from Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-41 of this circular;
- (iii) the accountants' report on the unaudited pro forma financial information of the Group set out in Appendix II to this circular;
- (iv) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (v) the written consents of the experts referred to in the paragraph headed "Experts and Consents" in this appendix.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Many Idea Cloud Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on Monday, 20 October 2025 on 12/F, ERKE Group Mansion, 11 Guanyin Shan Hualian Road, Siming District, Xiamen Fujian Province, the PRC, for the purpose of considering and, if though fit, passing the following resolutions as ordinary resolutions of the Company. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated Friday, 26 September 2025 (the “**Circular**”):

ORDINARY RESOLUTIONS

1. “**THAT** conditional upon (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked; (ii) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance; and (iii) the Placing Agreement not having been terminated in accordance with its terms:
 - (a) the allotment and issue of 576,000,000 Rights Shares by way of Rights Issue at the Subscription Price of HK\$0.4753 per Rights Share on the basis of six (6) Rights Shares for every one (1) Share held by the Qualifying Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date other than those Non-Qualifying Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong, whom the Directors, after making enquiry regarding the legal restrictions under the laws of relevant place and requirements of the relevant regulatory body or stock exchange, consider it

NOTICE OF EGM

necessary or expedient to exclude from Rights Issue, based on legal advice provided by legal advisers in the relevant jurisdictions, and the transactions contemplated thereunder, be and are hereby approved;

- (b) the Placing Agreement dated 4 September 2025 entered into between the Company and the Placing Agent and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the Board or a committee thereof be and is/are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Board may make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as it may deem necessary or expedient having regard to the legal restrictions under the laws of the place and requirements of the relevant regulatory body or stock exchange; and
- (d) any Director be and is hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.”

Yours faithfully
By order of the Board
Many Idea Cloud Holdings Limited
Liu Jianhui
Chairman of the Board

Hong Kong, 26 September 2025

Registered office in the Cayman Islands:
Ogier Global (Cayman) Limited
89 Nexus Way, Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

Principal place of business in Hong Kong:
18/Floor,
9 Queen's Road Central
Central
Hong Kong

As at the date of this notice, the Board comprises Mr. Liu Jianhui, Ms. Qu Shuo, Mr. Chen Shancheng, Mr. Chen Zeming and Ms. Liu Hong as executive Directors, and Ms. Wang Yingbin, Ms. Zhou Yan and Mr. Tian Tao as independent non-executive Directors.

NOTICE OF EGM

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint a proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A member holding two or more shares entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, at the office of the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at least 48 hours before the time appointed for the holding of the EGM (i.e. at 10:00 a.m. on Saturday, 18 October 2025) or any adjournment thereof.
3. The register of members of the Company will be closed from Tuesday, 14 October 2025 to Monday, 20 October 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 13 October 2025.
4. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. If Typhoon Signal No. 8 or above, or extreme conditions caused by super typhoons or a "black" rainstorm warning is in effect in Hong Kong any time after 7:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.manyidea.cloud) to notify Shareholders of the date, time and place of the rescheduled meeting.
6. Any voting at the EGM shall be taken by poll.