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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Huanxi Media Group Limited ("**Company**"), you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

(I) SUBSCRIPTION OF NEW SHARES UNDER THE SUBSCRIPTION SPECIFIC MANDATE; (II) ISSUANCE OF WARRANTS AND WARRANT SHARES UNDER THE WARRANT SPECIFIC MANDATE; AND (III) NOTICE OF SPECIAL GENERAL MEETING

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

A letter from the Board is set out from pages 9 to 34 of this circular.

A notice convening the SGM to be held at 11:00 a.m. on Thursday, 8 January 2026 at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong is set out on pages SGM-1 to SGM-3 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 11:00 a.m. on Tuesday, 6 January 2026 or not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

* *For identification purposes only*

22 December 2025

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Appendix I – Adjustment Mechanism to the Exercise Price I-1

Notice of the SGM SGM-1

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

"Adjustment Event(s)"	the adjustment events to which the Exercise Price is subject to, details of the adjustment mechanism are set out in Appendix I of this circular
"Announcements"	the announcements of the Company dated 11 November 2025 and 12 November 2025 in relation to, among other things, the Share Subscription Agreement, the Share Subscription Amendment Agreement, the Warrant Subscription Agreement, the Warrant Subscription Amendment Agreement and the transactions contemplated thereunder
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (not being a Saturday, Sunday, public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above, a "black" rainstorm warning or "extreme conditions" announced by the Government of Hong Kong is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong, the PRC, New York and Bermuda for general commercial business
"Capital Distribution"	means any distribution of assets in specie charged or provided or to be provided in the accounts of the Company for any financial period (whenever paid or made and however described) but excluding a cash Dividend and a distribution of assets in specie in lieu of a cash Dividend which would not have constituted an extraordinary dividend under paragraph (b) of this definition below (and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid-up (other than Shares credited as fully paid) by way of capitalisation of reserves), PROVIDED THAT: (a) a purchase or redemption of Shares by or on behalf of the Company shall not constitute a Capital Distribution or be taken into account in determining whether any other Dividend or distribution shall constitute a Capital Distribution unless in the case of purchases of Shares by the Company, the average price per Share (before expenses) on any one day in respect of such purchases exceeds by more than 20 per cent. of the Current Market

Price per Share either: (1) on that date; or (2) where an announcement has been made (excluding, for the avoidance of doubt, any general authority for such purchases given by a Shareholders' meeting of the Company, or any notice convening such meeting) of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement in which case such purchase shall be deemed to constitute a Capital Distribution in the amount of the aggregate price paid (before expenses) in respect of such Shares purchased by the Company; and

(b) in making any such calculation under this definition, such adjustments (if any) shall be made as the Expert may consider appropriate to reflect: (1) any consolidation or subdivision of the Shares; (2) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event; or (3) the modification of any rights to Dividends of Shares

"Closing"	the closing of the Subscription
"Closing Date"	the date of Closing under the terms of the Share Subscription Agreement
"close associate"	has the meaning ascribed to it under the Listing Rules
"Company"	Huanxi Media Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	means the completion of the Warrant Subscription and issuance of the Warrant in accordance with the Warrant Subscription Agreement
"Completion Date"	the date of Completion under the terms of the Warrant Subscription Agreement
"connected person(s)"	has the meaning ascribed to this term under the Listing Rules

"Current Market Price"	means, in respect of a Share at a particular date, the average of the closing price for one Share quoted by the Stock Exchange for the five (5) consecutive Trading Days ending on the Trading Day immediately preceding such date, provided that if at any time during the said five (5) Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then: (a) if the Shares to be issued in such circumstances do not rank for the Dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-Dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend per Share; or (b) if the Shares to be issued in such circumstances rank for the Dividend in question, the quotations on the dates on which the Shares shall have been quoted ex- Dividend shall, for the purpose of this definition, be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of that Dividend per Share, PROVIDED THAT if the Shares on each of the said five (5) Trading Days have been quoted cum-Dividend in respect of a Dividend which has been declared or announced but the Shares to be issued do not rank for that Dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend per Share
"Director(s)"	the director(s) of the Company

"Dividend"	means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid-up) provided that: (a) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, then, the Dividend in question shall be treated as a cash Dividend of an amount equal to the greater of: (a) the cash Dividend so announced; and (b) the Current Market Price on the date of announcement of such Dividend of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefor, regardless of whether any such election is made); and (b) any issue of Shares falling within Adjustment Event 6.6(b) shall be disregarded
"Executive"	means the executive director of the corporate finance division of the Securities and Futures Commission or any delegate of the executive director
"Exercise Amount"	means an amount in HK$ equal to the aggregate value of Shares represented by the Warrants as specified in the applicable exercise notice delivered pursuant to the Warrant Subscription Agreement
"Exercise Period"	from the date of issuance of the Warrants to its fifth anniversary
"Exercise Price"	the price per Share payable in HK$ on exercise of the Exercise Rights, which shall initially be HK$0.45 per Share, and shall be subject to adjustment from time to time in accordance with the Warrant Subscription Agreement, less the amount of Issue Price paid at the Completion
"Exercise Rights"	the rights of the holder of that Warrants to subscribe for a maximum of 731,294,472 Shares at the Exercise Price up to the Exercise Amount

"Expert"	means an independent investment bank, audit firm or a corporation licensed under the SFO to carryout Type 6 regulated activities in Hong Kong, acting as an expert, selected by the Company
"Fair Market Value"	means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by the Expert; provided that: (i) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by the Expert) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day on which such options, warrants or other rights are publicly traded
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	independent third party(ies), to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, who is/are not connected with the Company and its connected persons
"Issue Price"	means the issue price of the Warrants which is in aggregate amount of HK$7,312,944.72
"Latest Practicable Date"	16 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"Last Trading Day"	11 November 2025, being the last trading day of the Shares on the Stock Exchange before the release of the Announcements
"Listing Committee"	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Qualified Investment(s)"	(a) an investment made in cash for new Securities issued by the Company, where the subscription price and terms of issuance are acceptable to the Company and comply with applicable laws and the Listing Rules; or (b) an investment made through the transfer of assets of equivalent value, where such assets are acceptable to the Company, independently appraised to the Company's reasonable satisfaction, and capable of being monetised or utilised by the Company in its business operations
"Securities"	mean any financial instruments issued by the Company that represent ownership, debt, or other rights in the Company, including but not limited to shares (ordinary, preference, or other classes), bonds, debentures, convertible instruments, warrants, options, hybrid instruments, or any other instruments that are recognised as securities under applicable laws and the Listing Rules, and that may be issued in compliance with the Company's constitutional documents and all applicable regulatory requirements
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company convened to be held at 11:00 a.m. on Thursday, 8 January 2026 at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong for the Shareholders to consider and, if thought fit, to approve the Share Subscription Agreement, the Warrant Subscription Agreement and their respective transactions contemplated thereunder (including the grant of the Subscription Specific Mandate and the Warrant Specific Mandate)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company

"Share Subscription Agreement"	the share subscription agreement dated 11 November 2025 (as amended by the Share Subscription Amendment Agreement) and entered into between the Company and the Subscriber in respect of the Subscription
"Share Subscription Amendment Agreement"	the share subscription amendment agreement dated 12 November 2025 and entered into between the Company and the Subscriber in respect of the amendment of the Share Subscription Agreement
"Shareholder(s)"	shareholders of the Company from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	C River Co, a company incorporated in the Cayman Islands with limited liability
"Subscription"	the subscription for the Subscription Shares by the Subscriber pursuant to the Share Subscription Agreement
"Subscription Specific Mandate"	the specific mandate required to be granted to the Directors by the Shareholders at a general meeting for allotment and issue of the Subscription Shares
"Subscription Price"	the subscription price of approximately HK$0.30 per Subscription Share
"Subscription Shares"	an aggregate of 727,638,000 new Shares to be subscribed by the Subscriber pursuant to the Share Subscription Agreement (as amended by the Share Subscription Amendment Agreement)
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	means the Code on Takeovers and Mergers issued by the SFC, as amended from time to time
"Trading Day"	means a day when the Stock Exchange is open for dealing business
"Warrant(s)"	means the 731,294,472 unlisted warrant(s) to be issued by the Company to the Warrant Subscriber pursuant to the Warrant Subscription Agreement (as amended by the Warrant Subscription Amendment Agreement), each entitles the warrantholder to exercise the Exercise Rights on the terms set out in the instrument of the warrants

"Warrant Share(s)"	Share(s) to be issued upon the exercise of the Exercise Rights attaching to the Warrants
"Warrant Specific Mandate"	the specific mandate required to be granted to the Directors by the Shareholders at a general meeting for allotment and issue of the Warrants and the Warrant Shares
"Warrant Subscription"	the subscription of the Warrants to be issued by the Company by the Warrant Subscriber pursuant to the Warrant Subscription Agreement
"Warrant Subscription Agreement"	the warrant subscription agreement dated 11 November 2025 (as amended by the Warrant Subscription Amendment Agreement) and entered into between the Company and the Warrant Subscriber in respect of the Warrant Subscription
"Warrant Subscription Amendment Agreement"	the warrant subscription amendment agreement dated 11 November 2025 and entered into between the Company and the Warrant Subscriber in respect of the amendment of the Warrant Subscription
"Warrant Subscriber"	C River Co, a company incorporated in the Cayman Islands with limited liability
"Whitewash Waiver"	means a whitewash waiver pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code in respect of any obligation of the subscriber of securities as well as any parties acting in concert with it to make a mandatory general offer for all the shares not already owned or agreed to be acquired by such subscriber as well as any parties acting in concert with it which might otherwise arise as a result of the subscription or issuance of securities
"working day"	a day other than (i) Saturday, Sunday or a public holiday in the PRC; or (ii) one on which banks are closed for general banking business in the PRC
"%"	per cent

歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

Executive Directors:
Xiang Shaokun, Steven *(Chief Executive Officer)*
Hu Hui

Non-executive Directors:
Ning Hao
Xu Zheng

Independent Non-executive Directors:
Wong Tak Chuen
Li Xiaolong
Wang Hong

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Head office and principal place of business in Hong Kong:
11th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty, Hong Kong

22 December 2025

To the Shareholders

Dear Sir or Madam

(I) SUBSCRIPTION OF NEW SHARES UNDER THE SUBSCRIPTION SPECIFIC MANDATE; (II) ISSUANCE OF WARRANTS AND WARRANT SHARES UNDER THE WARRANT SPECIFIC MANDATE; AND (III) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 11 November 2025 and 12 November 2025 in relation to, among other things, the Share Subscription Agreement (as amended by the Share Subscription Amendment Agreement), the Warrant Subscription Agreement (as amended by the Warrant Subscription Amendment Agreement) and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further information of the Share Subscription Agreement (as amended by the Share Subscription Amendment Agreement), the Warrant Subscription Agreement (as amended by the Warrant Subscription Amendment Agreement) and the transactions contemplated thereunder; (ii) further information on the the Subscription Specific Mandate and the Warrant Specific Mandate; (iii) the notice of the SGM; and (iv) other information as required to be disclosed under the Listing Rules, so as to enable the Shareholders to make an informed decision on whether to vote for or against the proposed resolutions at the SGM. For the details of the proposed resolutions at the SGM, please also refer to the notice of the SGM.

(1) THE SHARE SUBSCRIPTION AGREEMENT

On 11 November 2025 (after trading hours), the Company entered into the Share Subscription Agreement (as amended by the Share Subscription Amendment Agreement which was entered into between the Company and the Subscriber on 12 November 2025 (after trading hours)) with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 727,638,000 Subscription Shares at the Subscription Price of approximately HK$0.30 per Subscription Share. The principal terms of the Share Subscription Agreement are set out below.

Date:

11 November 2025 (after trading hours)

Parties:

(i) The Company as issuer

(ii) The Subscriber as subscriber

The Subscriber

The Subscriber is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. The ultimate beneficial owner of the Subscriber is Mr. Rong Chen ("**Mr. Chen**"). The Subscriber is the same as the Warrant Subscriber. Mr. Chen was introduced to the Company through a common friend of his and the chief executive officer of the Company. Mr. Chen has over 20 years of extensive experience in the areas of capital markets and investments both in China and overseas, in particular in the sectors relating to artificial intelligence and new energy. Mr. Chen joined Cedarlake Capital as a partner in 2016. Before joining Cedarlake Capital, Mr. Chen was the chief operating officer of the investment banking division of Morgan Stanley Securities (China) Co., Ltd. from 2014. Prior to that, Mr. Chen practiced capital markets law with major international law firms such as Clifford Chance and Davis Polk in their Hong Kong offices. Mr. Chen was awarded a bachelor's degree in laws from Fudan University in 1998 and a master's degree in laws from the University of Pennsylvania in 2002. Mr. Chen was admitted to the bar in China in 1999 and to the State of New York in 2004.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) (if applicable) are Independent Third Parties, and the Subscriber has no relationship (business or otherwise) with the Company and its connected persons and their respective associates.

Number of Subscription Shares

The 727,638,000 Subscription Shares represent approximately 19.90% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 16.60% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no change in the issued share capital of the Company from the date of the Share Subscription Agreement to the Closing Date, save for the allotment and issue of the Subscription Shares in full). The aggregate nominal value of the Subscription Shares will be HK$7,276,380.00.

Subscription Price

The Subscription Price of HK$0.30 per Subscription Share represents:

(i) a discount of approximately 22.08% to the closing price of HK$0.385 per Share as quoted on the Stock Exchange on 11 November 2025, being the date of the Share Subscription Agreement;

(ii) a discount of approximately 1.32% to the average closing price of HK$0.304 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Share Subscription Agreement;

(iii) a discount of approximately 6.25% to the average closing price of HK$0.32 per Shares as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Share Subscription Agreement;

(iv) a discount of approximately 15.73% to the average closing price of HK$0.356 per Shares as quoted on the Stock Exchange for the last thirty consecutive trading days immediately preceding the date of the Share Subscription Agreement;

(v) a premium of approximately 1.16% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK$0.297 (based on the net asset value attributable to the owners of the Company as at 30 June 2025 of approximately HK$1,084,378,000 as disclosed in the interim report of the Company published on 19 September 2025 for the six months ended 30 June 2025 and 3,656,472,362 Shares in issue as at the date of Share Subscription Agreement); and

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 3.64%, which is calculated based on the theoretical diluted price of approximately HK$0.371 per Share, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the Share Subscription Agreement of HK$0.385 per Share; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Share Subscription Agreement of approximately HK$0.304 per Share.

The net Subscription Price, after deduction of relevant expenses, is approximately HK$0.2994 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account, among others, the recent trading performance of the Shares. In order to assess the fairness of the Subscription Price, the Company conduct the market research of issue of new shares under specific mandate by main board listed companies in the Stock Exchange for the six months period immediately before the issue of the Announcement. The Company initially attempted to select comparable in the website of the Stock Exchange that with the followings selection criteria (i) listed company in the main board of the Stock Exchange; (ii) issue of new shares under specific mandate; (iii) with business similar to that of the Company; (iv) with market capitalisation similar to that of the Company. However, none of comparable transaction can be identified. Therefore, the Company, relax the selection criteria to (i) listed company in the main board of the Stock Exchange; and (ii) issue of new shares under specific mandate. Based on the revised selection criteria, the Company identified 13 comparable transactions (the "**Comparable Transactions**"). Please refer to the Table 1 below for the reference information of the Comparable Transactions.

Table 1

	Company	Stock code	Date of initial announcement	Expected maximum gross proceeds *HK$' million*	Premium/(discount) of the subscription price to the closing price per share on the last trading day immediately prior to publication of announcement in relation to the respective issue of new shares (the "LTD Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective issue of new shares (the "5-Day Discount") %	Theoretical dilution effect (the "Dilution Effect") %
1	Universal Health International Group Holding Limited	2211	13/5/2025	24.35	-1.23	2.83	NA
2	China Health Group Limited	673	22/5/2025	70.00	-28.60	-37.10	23.60
3	Haichang Ocean Park Holdings Ltd.	2255	2/6/2025	2,295.00	-46.43	-45.12	NA
4	Sinohope Technology Holdings Limited	1611	29/6/2025	86.25	-29.66	-23.85	6.36
5	National United Resources Holdings Limited	254	16/7/2025	50.00	-4.76	-2.91	NA
6	Ev Dynamics (Holdings) Limited	476	18/7/2025	27.00	-33.80	-36.30	NA
7	Tesson Holdings Limited	1201	25/7/2025	6.00	-16.67	-19.87	6.36
8	China Kingstone Mining Holdings Limited	1380	22/8/2025	17.00	4.71	3.00	NA
9	Renze Harvest International Limited	1282	26/8/2025	297.00	-15.80	-19.50	8.80
10	China Kingstone Mining Holdings Limited	1380	28/8/2025	2.00	-1.11	0.34	NA
11	Web3 Meta Limited	8093	15/9/2025	13.20	-19.19	-19.35	3.23
12	Daido Group Limited	544	31/10/2025	20.00	-2.44	-2.44	14.29
13	Tai Kam Holdings Limited	8321	9/11/2025	58.00	-24.53	-28.57	NA
	Minimum			2.00	-46.43	-45.12	3.23
	Median			27.00	-16.67	-19.50	8.80
	Maximum			2,295.00	4.71	3.00	14.29
	Average			228.14	-16.89	-17.60	8.77
	The Company				-22.08	-1.32	3.64

According to Table 1, the discount rate of the Subscription Price to the last trading day immediately prior to publication of the Announcement is approximately 22.08% which is within the range of that of the Comparable Transactions (From discount of approximately 46.43% to premium of approximately 4.71%) and below the mean of that of the Comparable Transactions (Discount of 16.89%). The discount rate of the Subscription Price to the average closing price per Share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of the Announcement is approximately 1.32% which is within the range of that of that of the Comparable Transactions (From discount of approximately 45.12% to premium of approximately 3%) and lower than mean of that of the Comparable Transactions (Discount of approximately 17.60%).

Although the discount rate of the Subscription Price is higher than the mean of the LTD Discount, the Company are of the view that since (i) the discount rate of the Subscription Price is within the range of the LTD Discount; (ii) the discount rate of the Subscription Price is substantially lower than the mean of the 5-Day Discount; and (iii) the Subscription Price is higher than the net asset value per Share, the Directors are of the view that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Rights of the Subscription Shares

The Subscription Shares when allotted and issued, will rank pari passu in all respects among themselves and with all other fully paid Shares then in issue.

Conditions to the Closing of the Subscription

The Closing of the Subscription shall be subject to the fulfilment or, if applicable, waiver of such conditions precedent as set out in the Share Subscription Agreement:

(a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares, and such listing approval not being subsequently revoked or withdrawn prior to Closing;

(b) each of the Company's warranties in the Share Subscription Agreement shall be true, correct and complete as at Closing;

(c) each of the Subscriber's warranties in the Share Subscription Agreement shall be true, correct and complete as at Closing;

(d) the passing by the Shareholders of all necessary resolutions at the SGM approving the Share Subscription Agreement and the transactions contemplated thereunder (including the grant of the Subscription Specific Mandate);

(e) the Warrant Subscription Agreement having become unconditional in all respects in accordance with its terms, and no notice having been given to terminate or rescind the Warrant Subscription Agreement prior to Closing;

(f) all the necessary government and other consents, approvals, filings and registration in connection with the Share Subscription Agreement and the other transaction documents (if any) and the transactions contemplated thereunder, including, but not limited to, the issue of the Subscription Shares, having been obtained and completed, and all such consents and approvals remaining in full force and effect and the Company not having received any statement or notification to revoke or not to renew any such consents or approvals at or prior to Closing;

(g) there being no material adverse effect from the date of the Share Subscription Agreement up to the Closing Date;

(h) there shall be no order, writ, injunction or decree being entered and be in effect by any court of competent jurisdiction or any governmental authority, or any statute, rule, regulation, decision or other requirement being promulgated or enacted and be in effect which would prohibit or restrict (i) the issuance of the Subscription Shares and (ii) the consummation of the transaction contemplated by the Share Subscription Agreement;

(i) the Shares remain listed on the Main Board of the Stock Exchange and tradeable during trading hours from the date of the Share Subscription Agreement to the Closing Date and that neither the Stock Exchange nor the SFC indicated that it will restrict the trading of the Shares (other than trade suspension for less than or equal to seven days) or for the purposes of clearing the relevant announcement(s) or otherwise in relation to any transaction contemplated by the Share Subscription Agreement and/or by the Warrant Subscription Agreement, which shall not exceed seven days) or cancel its listing status; and

(j) the Subscriber having completed its due diligence review of the Group, and the results of such due diligence review being satisfactory in the reasonable opinion of the Subscriber.

As set out in condition (e) above, the Subscription and the Warrant Subscription are inter-conditional.

The Subscriber may, at its absolute discretion, waive the conditions (b), (g) and (j) above. The Company may, at its absolute discretion, waive the condition (c) above. Save as aforesaid, none of the above conditions is capable of being waived by any party. As at the Latest Practicable Date, neither the Subscriber nor the Company has any intention to waive any of the conditions above. As at the Latest Practicable Date, none of the conditions above have been fulfilled.

In the event that the conditions of the Subscription are not fulfilled or waived on or before 31 July 2026 or such later date as may be agreed between the parties to the Share Subscription Agreement in writing (the "**Long Stop Date**"), any party to the Share Subscription Agreement may terminate the Share Subscription Agreement by providing written notice to the other party, and neither the Company nor the Subscriber shall have any claim against each other, except in respect of claims arising out of any antecedent breach of any of the provisions of the Share Subscription Agreement.

Under the Share Subscription Agreement, the Subscriber shall have the right to assign its rights under the Share Subscription Agreement to its affiliate.

Closing of the Subscription

The Closing of the Subscription shall take place on the twentieth (20th) Business Day after the conditions of the Subscription are fulfilled or waived (or such other date as may be agreed between the parties to the Share Subscription Agreement) when the Company and the Subscriber shall perform their respective obligations pursuant to the Share Subscription Agreement.

If the Company or the Subscriber fails to comply with its obligations on the Closing Date under the Share Subscription Agreement, the non-default party may, without prejudice to its other rights:

(a) defer the Closing (so that the obligations on the Closing Date shall apply to the Closing as so deferred) to a day no later than twenty (20) Business Days from the Closing Date;

(b) proceed to the Closing as far as practicable (without limiting its rights under the Share Subscription Agreement); or

(c) terminate the Share Subscription Agreement by notice in writing to the default party in accordance with the Share Subscription Agreement.

For the avoidance of doubt, the Closing of the Subscription shall not occur unless the Completion of the Warrant Subscription takes place simultaneously with the Closing.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

IMPLICATIONS UNDER THE LISTING RULES

The Subscription Shares will be allotted and issued pursuant to the Subscription Specific Mandate, which is subject to the Shareholders' approval at the SGM. The Subscription Specific Mandate will be valid from the date of passing of the relevant resolution at the SGM and will cease to be effective if any of the conditions of the Subscription are not fulfilled or waived on or before the Long Stop Date. If the Company extends the Long Stop Date, the Company will re-comply with the applicable provisions of the Listing Rules, and seek approval from its Shareholder(s) where required.

(2) ISSUANCE OF WARRANTS AND WARRANT SHARES

On 11 November 2025 (after trading hours), the Company entered into the Warrant Subscription Agreement (as amended by the Warrant Subscription Amendment Agreement entered into between the Company and the Warrant Subscriber on 12 November 2025 (after trading hours)) with the Warrant Subscriber, pursuant to which the Company has agreed to issue to the Warrant Subscriber the 731,294,472 Warrants at the Issue Price of HK$0.01 per Warrant subject to the conditions thereof. The principal terms of the Warrant Subscription Agreement are set out below.

Date:

11 November 2025 (after trading hours)

Parties:

(i) The Company as issuer

(ii) The Warrant Subscriber as subscriber

Conditions to the Completion of the Warrant Subscription

Completion of the Warrant Subscription shall be conditional upon the satisfaction or, if applicable, waiver of such conditions precedent as set out in the Warrant Subscription Agreement:

(a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Warrant Shares, and such listing approval not being subsequently revoked or withdrawn prior to the Completion;

(b) each of the Company's warranties in the Warrant Subscription Agreement shall be true, correct and complete as at the Completion;

(c) each of the Warrant Subscriber's warranties in the Warrant Subscription Agreement shall be true, correct and complete as at the Completion;

(d) the Share Subscription Agreement having become unconditional in all respects in accordance with its terms, and no notice having been given to terminate or rescind the Share Subscription Agreement prior to the Completion;

(e) the passing by the Shareholders of all necessary resolutions at the SGM approving the Warrant Subscription Agreement and the transactions contemplated thereunder (including the grant of the Warrant Specific Mandate);

(f) all the necessary government and other consents, approvals, filings and registration in connection with the Warrant Subscription Agreement and the other Warrant documents (if any) and the transactions contemplated hereunder and thereunder, including, but not limited to, the issue of the Warrants, having been obtained and completed, and all such consents and approvals remaining in full force and effect and the Company not having received any statement or notification to revoke or not to renew any such consents or approvals at or prior to the Completion;

(g) there being no material adverse effect from the date of the Warrant Subscription Agreement up to the Completion Date;

(h) there shall be no order, writ, injunction or decree being entered and be in effect by any court of competent jurisdiction or any authority, or any statute, rule, regulation, decision or other requirement being promulgated or enacted and be in effect which would prohibit or restrict (i) the issuance of the Warrants and (ii) the consummation of the transactions contemplated by the Warrant Subscription Agreement; and

(i) the Shares remain listed on the Stock Exchange and tradeable during trading hours from the date of the Warrant Subscription Agreement to the Completion Date and that neither the Stock Exchange nor the SFC indicated that it will restrict the trading of the Shares (other than trade suspension for less than or equal to seven days or for the purposes of clearing the relevant announcement(s) or otherwise in relation to any transaction contemplated by the Warrant Subscription Agreement and/or by the Share Subscription Agreement, which shall not exceed seven days) or cancel its listing status.

As set out in condition (d) above, the Subscription and the Warrant Subscription are inter-conditional.

The Warrant Subscriber may, at its absolute discretion, waive the conditions (b) and (g) above. The Company may, at its absolute discretion, waive the condition (c) above. Save as aforesaid, none of the above conditions is capable of being waived by any party. As at the Latest Practicable Date, neither the Warrant Subscriber nor the Company has any intention to waive any of the conditions above. As at the Latest Practicable Date, none of the conditions above have been fulfilled.

In the event that the conditions of the Warrant Subscription are not fulfilled or waived on or before 31 July 2026 (or such later date as the Company and the Warrant Subscriber may agree in writing from time to time) (the "**Warrant Long Stop Date**"), any party to the Warrant Subscription Agreement may terminate the Warrant Subscription Agreement by providing written notice to the other party, and neither the Company nor the Warrant Subscriber shall have any claim against each other, except in respect of claims arising out of any antecedent breach of any of the provisions of the Warrant Subscription Agreement.

Under the Warrant Subscription Agreement, the Warrant Subscriber shall have the right to subscribe for the Warrants through its affiliate.

Number of Warrants to be issued

731,294,472 Warrants, which are exercisable up to initially 731,294,472 Warrant Shares (subject to adjustment). The number of Warrant Shares could adjust upward in the event of a downward adjustment of the Exercise Price. However, as provided for in the instrument of the Warrants, the Company shall not, and shall not be required to, issue any Warrant Share, and the Warrant Subscriber shall not exercise the Warrants, if, as a result of the relevant exercise, the Company would otherwise be in breach of the Listing Rules and/or any requirements imposed by the Stock Exchange. In other words, if an exercise of the Warrants would lead to the number of Warrant Shares exceeding the 20% threshold under Rule 15.02(1) of the Listing Rules, the Company will not be required to issue the number of Warrant Shares in excess. As such, (i) the maximum number of Warrant Shares which could be issued on exercise of the Warrants would not exceed 20% of the number of issued shares (excluding treasury shares) of the Company at the time the Warrants are issued, and therefore any potential upward adjustment in the number of Warrant Shares or the downward adjustment in the Exercise Price will not in any event lead to non-compliance with Rule 15.02(1) of the Listing Rules; and (ii) therefore no alternative settlement mechanism is required upon any downward adjustment in Exercise Price to an extent which would theoretically lead to the number of Warrant Shares exceeding the 20% threshold under Rule 15.02(1) of the Listing Rules.

As at the Latest Practicable Date, the Company has no outstanding warrant or subscription rights which are required to be aggregated with the Warrant Shares in accordance with Rule 15.02(1) of the Listing Rules.

The Company shall, after receiving a notice of exercise of the Warrants from the Warrant Subscriber, calculate the number of Warrant Shares issuable thereunder and calculate whether such number of Warrant Shares would lead to the maximum number of Warrant Shares which could be issued on exercise of the Warrants exceeding 20% of the number of issued shares (excluding treasury shares) of the Company at the time the Warrants are issued. If that is the case, the Company will inform the Warrant Subscriber that it shall not exercise the Warrants in accordance with the instrument of the Warrants. As such, the abovementioned procedures can ensure that the Warrant Shares to be issued would not exceed the 20% threshold under Rule 15.02(1) of the Listing Rules.

Issue Price

The Issue Price of the Warrants is HK$0.01 per Warrant.

Exercise Price

HK$0.44 per Warrant Share. The Exercise Price is subject to adjustment in certain events such as consolidation, subdivision or reclassification of the Shares, capitalisation of profits or reserves, capital distribution, dividends, rights issues of the Shares or options over the Shares, rights issues of other securities, issue of convertible or exchangeable securities or Shares at less than current the market price, modification of rights of exercise and other offers to the Shareholders, etc.

The effective issue price (the "**Effective Issue Price**") of HK$0.45 per Warrant (being the aggregate of the Issue Price of HK$0.01 per Warrant and the Exercise Price of HK$0.44 per Warrant Share) represents: (i) a premium of approximately 16.88% over the closing price of HK$0.385 per Share quoted on the Stock Exchange on the Last Trading Day, and (ii) a premium of approximately 48.03% over the average closing price of HK$0.304 per Share for the last five consecutive trading days for the Shares immediately preceding the date of the Warrant Subscription Agreement. The Effective Issue Price was determined with reference to the prevailing market price of the Shares.

In order to assess the fairness of the Effective Issue Price, the Company conducted the market research of issue of warrants under specific mandate by listed companies in the Stock Exchange for the six months period immediately before the issue of the Announcement. The Company initially attempted to select comparable in the website of the Stock Exchange that with the followings selection criteria (i) listed company in the Stock Exchange; (ii) issue of warrants under specific mandate; (iii) with business similar to that of the Company; (iv) with market capitalization similar to that of the Company. However, none of comparable transaction can be identified. Therefore, the Company, relax the selection criteria to (i) listed company in the Stock Exchange; (ii) issue of warrants under specific mandate; and (iii) the search period for 12 months period immediately before the entering into of the Warrant Subscription Agreement. Based on the revised selection criteria, the Company identified 4 comparable transactions (the "**Warrants Comparable Transactions**"). Please refer to the Table 2 below for the reference information of the Warrants Comparable Transactions.

Table 2

Company	Stock code	Date of initial announcement	Premium/(discount) of the aggregate of issue price and exercise price of warrant ("Aggregate Exercise Price") over/(to) closing price of shares on the last trading day prior to announcement ("Warrant LTD Discount") %	Premium/(discount) of the Aggregate Exercise Price over/(to) average closing price of shares for the last five trading days prior to announcement (the "Warrant 5- Day Discount") %	Premium/(discount) of the Aggregate Exercise Price over/(to) average closing price of shares for the last ten trading days prior to announcement %
China Partytime Culture Holdings Limited	1532	26/3/2025	-10.00	-12.96	-14.12
Culturecom Holdings Limited	343	16/4/2025	84.10	82.70	NA
Virtual Mind Holding Company Limited	1520	29/8/2025	103.10	101.60	NA
C.banner International Holdings Limited	1028	30/10/2025	28.46	23.92	NA
Minimum			-10.00	-12.96	
Median			56.28	53.31	
Maximum			103.10	101.60	
Average			51.42	48.82	
The Company			16.88	48.03	

According to Table 2, the premium rate of the Effective Issue Price to the Last Trading Day is approximately 16.88% which is within the range of that of the Warrant Comparable Transactions (From discount of approximately 10.00% to premium of approximately 103.10%) and below the mean of that of the Warrants Comparable Transactions (Premium of approximately 51.42%). The premium rate of the Effective Issue Price to the average closing price per Share for the last five consecutive trading days for the Shares immediately preceding the date of the Warrant Subscription Agreement is approximately 48.03% which is within the range of that of that of the Warrants Comparable Transactions (From discount of approximately 12.96% to premium of approximately 101.60%) and slightly lower than mean of that of the Warrants Comparable Transactions (Premium of approximately 48.82%).

Although the premium rate of the Effective Issue Price is lower than the mean of the Warrant LTD Discount, the Company are of the view that since (i) the discount rate of the Effective Issue Price is within the range of the Warrant LTD Discount; (ii) the Premium rate of the Effective Issue Price is close to the mean of the Warrant 5-Day Discount; and (iii) the Effective Issue Price is higher than the net asset value per Share, the Directors are of the view that the Effective Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Exercise Price represents (i) a premium of approximately 14.29% over the closing price of HK$0.385 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 44.74% over the average closing price of HK$0.304 per Share for the last five consecutive trading days for the Shares immediately preceding the date of the Warrant Subscription Agreement.

The Effective Issue Price was determined based on negotiations on arm's length basis between the Company and the Warrant Subscriber with reference to the current market sentiment, liquidity flow in the capital market, the prevailing market price of the Shares before entering into the Warrant Subscription Agreement. Based on the above, the Directors consider that the Effective Issue Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Exercise Period

The warrantholder has the right to exercise the Warrants in whole or in part and subscribe for Shares at the Exercise Price (subject to and upon compliance with the provisions of exercise conditions) anytime during the Exercise Period. After the Exercise Period, the Exercise Rights shall irrevocably lapse and the Warrants shall cease to be valid for any purpose.

Exercise Conditions

The right of the warrantholder to exercise the Warrants shall be subject to the fulfillment, to the reasonable satisfaction of the Company, of each of the following conditions:

(1) The warrantholder must make or procure third party investor(s) to make Qualified Investment(s), being investment with an aggregate value of no less than HK$5,000,000 or equivalent (or such other amount as mutually agreed between the Company and the warrantholder) ("**Minimum Investment**"), in cash and/or assets of equivalent value, by the third (3rd) anniversary of the issue date of the Warrants ("**Minimum Investment Deadline**"), in accordance with the conditions set forth in the instrument of the Warrants. The Qualified Investment must comply with all applicable laws and the Listing Rules, and all necessary consents, approvals, and waivers required for the investment must be obtained. The determination of whether the Minimum Investment threshold has been met shall be made by the Company in good faith and acting reasonably, and the Company's determination shall be final and binding, absent manifest error. If this exercise condition is not fulfilled to the satisfaction of the Company on or before the Minimum Investment Deadline, the right of the warrantholder to exercise the Warrants shall lapse and become null and void, unless the Company agrees, in writing and at its sole discretion, to extend the Minimum Investment Deadline.

(2) The average of the closing price of one Share quoted by the Stock Exchange for a period of ten (10) consecutive trading days is HK$1.00 or above.

(3) If as a result of the relevant exercise, the Warrant Subscriber and/or parties acting in concert with it will be interested in 30% or more of the Company's issued shares or voting rights of the Company, and in connection with the exercise the mandatory general offer obligation under the Takeovers Code is not being complied with, the Warrant Subscriber (or its designated nominee) having applied to the Executive for and obtained from the Executive, a Whitewash Waiver.

As at the Latest Practicable Date, the Warrant Subscriber has not yet identified any third party investor(s) to make Qualified Investment(s) in the Company. In the event a Qualified Investment is identified, the Company will comply with the applicable requirements under the Listing Rules.

The Company shall not, and shall not be required to, issue any Warrant Share, and the Warrant Subscriber shall not exercise the Warrants, if, as a result of the relevant exercise:

(1) less than 25% or the prescribed minimum percentage as set out in the Listing Rules of the Company's issued Shares would be held by the public immediately after the relevant exercise; or

(2) the Warrant Subscriber and/or parties acting in concert with it will be interested in 30% or more of the Company's issued shares or voting rights of the Company or such amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer under the Takeovers Code, unless the mandatory general offer obligation under the Takeovers Code is being complied with or the Company, the Warrant Subscriber and/or parties acting in concert with it have obtained a Whitewash Waiver; or

(3) the Company would otherwise be in breach of the Listing Rules, the Takeovers Code and/or any requirement or condition imposed by relevant regulatory authorities including the SFC and the Stock Exchange.

Completion of the Warrant Subscription

Completion of the Warrant Subscription shall take place on the twentieth (20th) Business Day after the conditions of the Warrant Subscription are fulfilled or waived (or such other date as may be agreed between the parties) when the Company and the Warrant Subscriber shall perform their respective obligations pursuant to the Warrant Subscription Agreement.

If the Company or the Warrant Subscriber fails to comply with its obligations on the Completion Date under the Warrant Subscription Agreement, the non-default party may, without prejudice to its other rights:

(a) defer the Completion (so that the obligations on the Completion Date shall apply to the Completion as so deferred) to a day not more than twenty (20) Business Days from the Completion Date;

(b) proceed to the Completion as far as practicable (without limiting its rights under the Warrant Subscription Agreement); or

(c) terminate the Warrant Subscription Agreement by notice in writing to the default party in accordance with the Warrant Subscription Agreement.

For the avoidance of doubt, the Completion shall not occur unless the Closing under the Share Subscription Agreement takes place simultaneously with the Completion.

Information of Warrants

Each of the Warrants constitutes a detachable and transferable call warrant. The Warrants entitle the warrantholder to subscribe, up to the Exercise Amount, at anytime and from time to time during the Exercise Period for a maximum of 731,294,472 Shares at a price per Share equal to the Exercise Price.

Each Warrant entitles the relevant holder of the Warrant to subscribe for one Share.

Upon full exercise of the Warrants, a maximum of 731,294,472 Warrant Shares will be issued, representing (i) approximately 20.00% of the existing issued share capital of the Company of 3,656,472,362 Shares as at the Latest Practicable Date; and (ii) approximately 16.67% of the Company's issued share capital as enlarged by the issue of the Warrant Shares (assuming there is no other change in the issued share capital of the Company from the date of the Warrant Subscription Agreement to the Completion Date, save for the allotment and issue of the Warrant Shares upon full exercise of the Exercise Rights attaching to the Warrants).

The aggregate nominal value of the Warrant Shares is HK$7,312,944.72.

The Warrant Shares when allotted and issued, will rank pari passu in all respects among themselves and with all other fully paid Shares then in issue.

The terms of the Warrants were determined by arm's length negotiation among the parties with reference to the prevailing market conditions.

Transferability

Prior to the satisfaction of each exercise condition, the Warrants shall be transferable only by the initial warrantholder to its affiliates, provided that the initial warrantholder provides evidence reasonably satisfactory to the Company that the transferee qualifies as an affiliate. For the avoidance of doubt, any affiliate holding the Warrants shall not transfer, assign, sell, or otherwise dispose of the Warrant, in whole or in part, to any other person or entity.

Upon the satisfaction of the exercise conditions, the Warrants will be freely transferable subject to the terms and conditions of the Warrant Subscription Agreement and compliance with applicable laws and Listing Rules.

Voting and other rights for the holders of the Warrants

The warrantholder will not be entitled to receive notice of or attend or vote at general meetings of the Company by reason only of being the holders of the Warrant. The warrantholder will not be entitled to participate in any distribution and/or offers of further securities made by the Company by reason only of being the holders of the Warrant.

Rights of the holders of the Warrants on the liquidation of the Company

On a liquidation, dissolution, winding-up (whether voluntary or involuntary) of the Company, all Exercise Rights which have not been exercised prior to the commencement of the liquidation, dissolution, winding-up (whether voluntary or involuntary) of the Company (as the case maybe) shall lapse and the Warrants will cease to be valid with immediate effect for the purpose of exercising any Exercise Rights.

Senior Advisor Nomination Rights

Subject to compliance with the provisions of the articles of association of the Company and the applicable Listing Rules:

(a) the initial warrantholder shall have the right during the Exercise Period to nominate one person to serve as the position of senior advisor of the Company by giving notice in writing to the Company; it being understood that the senior advisor shall not attend any board or executive meetings and shall not be entitled to any inside information of the Company; and

(b) the Company shall undertake to use its reasonable endeavours to convene a meeting of the Board for the appointment of the person nominated by the initial warrantholder, provided that (i) such person shall be suitable for acting in the position of senior advisor, as determined by the Board in good faith and to the extent required by applicable law and regulations; and (ii) such appointment shall be subject to the execution of a contract between the Company and such person, setting out the terms and conditions of such engagement, including duties, responsibilities, remuneration (if any), and duration of appointment, in accordance with the Company's corporate governance requirements.

PROVIDED THAT: (i) the foregoing right of nomination shall only be available to the initial warrantholder, for so long as the initial warrantholder is the holder of any Warrant; and (ii) for the avoidance of doubt, no subsequent warrantholder, nor any transferee of the Warrants (whether in whole or in part), shall be entitled to exercise such nomination right.

There are no relevant requirements under the Company's memorandum of association and amended and re-stated bye-laws in relation to the appointment of the senior advisor, but his or her appointment shall be subject to approval by the Board in accordance with the relevant provision of the instrument of the Warrants. The senior advisor will act as a strategic advisor to the Board and the management of the Company, with a particular focus on assisting the Company in securing Qualified Investment in line with the exercise condition attached to the Warrant. Moreover, the senior advisor will act as a regular communication channel between the initial warrantholder and the Board on corporate and financial matters, such as investment opportunities and equity-related transactions. The senior advisor shall maintain confidentiality for all the information provided to him/her relating to the Group unless such information is already in the public domain. Moreover, the Company shall ensure that it will not provide any inside information of the Group to the senior advisor.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Warrant Shares. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 13.36(7) of the Listing Rules, the Company may not issue warrants to subscribe for (i) any new Shares or (ii) any securities convertible into new Shares, for cash consideration pursuant to a general mandate given under Rule 13.36(2)(b) of the Listing Rules. Therefore, the issue of the Warrants and the Warrant Shares (to be issued upon exercise of the Warrants) are subject to the Shareholders' approval and will be allotted and issued pursuant to the Warrant Specific Mandate to be sought at the SGM. The Warrant Specific Mandate will be valid from the date of passing of the relevant resolution at the SGM and will cease to be effective if any of the conditions of the Warrant Subscription are not fulfilled or waived on or before the Warrant Long Stop Date. If the Company extends the Warrant Long Stop Date, the Company will re-comply with the applicable provisions of the Listing Rules, and seek approval from its Shareholder(s) where required.

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be allotted and issued upon exercise of the Warrant must not, when aggregated with all other equity securities remain to be issued on the exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrant is issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. The issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND THE WARRANT SUBSCRIPTION

The Company is an investment holding and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses, including development and investment in films and TV programmes rights, as well as operation of an online video platform.

The Directors believe that the Subscription and Warrant Subscription represents a good opportunity to raise additional capital for the Company's business operations and broaden the shareholder base of the Company. Meanwhile, the Board considers that the Warrant Subscription does not have any immediate dilution effect on the shareholding of the existing Shareholders and the Warrants are not interest bearing. In addition to the net proceeds that would be raised upon completion of the Warrant Subscription, further capital would be raised upon exercise of the Exercise Rights attaching to the Warrants. The Board is of the view that the Subscription and the Warrant Subscription would have a lower immediate dilution impact on the existing Shareholders compared with merely issuing the new Shares for subscription.

The Subscription and the Warrant Subscription avoids the increase in leverage and the imposition of ongoing interest and repayment obligations typically associated with bank borrowings or debt instruments, thereby enhancing the Company's financial flexibility. Apart from the Subscription and the Warrant Subscription, the Board has considered other alternative fund raising methods including bank financing, rights issues and open offers. However, the Board is of the view that it is currently difficult for the Company to obtain bank financing because the Group does not have significant fixed assets, specifically properties and plants to pledge as collateral. Moreover, rights issue and open offer require the preparation and the issue of a prospectus, a longer acceptance process by potential investors and the printing and handling of application forms, incurring underwriting commission and other professional fees and, thereby are relatively costly and time consuming.

The Directors consider that the terms of the Share Subscription Agreement (including the Subscription Price) and the Warrant Subscription Agreement (including the Effective Issue Price) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds from the Subscription will amount to approximately HK$218,290,000. The net proceeds from the Subscription will amount to approximately HK$218,000,000 (or approximately HK$0.2996 per Subscription Share). The gross proceeds from the Warrant Subscription will amount to approximately HK$7,313,000. The net proceeds from the Warrant Subscription will amount to approximately HK$7,100,000 (with a net issue price of approximately HK$0.0097 per Warrant).

The aggregate of net proceeds from the Subscription and the Warrant Subscription will amount to approximately HK$225,100,000 and will be applied by the Company as to (i) approximately HK$100,000,000 for investments in enhancing the Company's capabilities to use advanced technologies, including but not limited to artificial intelligence in the areas of film and television production, which will further enhance the quality and efficiency of the Company's production, and exploring new business opportunities in interactive entertainment, game development, and intellectual property-related derivative products; (ii) approximately HK$50,000,000 for investment in film and TV programme rights business; and (iii) approximately HK$75,100,000 for general working capital.

Assuming the full exercise of the Exercise Rights attaching to the Warrants, it is expected that gross proceeds of approximately HK$321,770,000 will be raised. The net proceeds of approximately HK$321,600,000 (with a net exercise price of approximately HK$0.4398 per Warrant Share) will be applied in the same ratio of the Subscription and the Warrant Subscription as stated in the table below, i.e. (i) as to approximately HK$142.9 million for investments in enhancing the Company's capabilities to use advanced technologies, including but not limited to artificial intelligence in the areas of film and television production, which will further enhance the quality and efficiency of the Company's production, and exploring new business opportunities in interactive entertainment, game development, and intellectual property-related derivative products; (ii) as to approximately HK$71.4 million for investment in film and TV programme rights business; and (iii) as to approximately HK$107.3 million for general working capital.

Details of which are set out below:

	Use of proceeds	Allocation of the net proceeds from the Subscription and the Warrant Subscription *HK$*	Percentage of the net proceeds from the Subscription and the Warrant Subscription	Expected timeline on utilisation	Allocation of the net proceeds from the full exercise of the Exercise Rights attaching to the Warrants[(Note)] *HK$*	Percentage of the net proceeds from the full exercise of the Exercise Rights attaching to the Warrants[(Note)]
(i)	Investments in enhancing the Company's capabilities to use advanced technologies					
	– Make investment in an artificial intelligence team to conduct research and analysis the application of the artificial intelligence in the areas existing business of the Company such as film and television production	60,000,000	26.6%	Expected to be used by December 2026	85,700,000	26.6%
	– Procurement of equipment, such as advanced computer hardware for artificial intelligence development	20,000,000	8.9%	Expected to be used by December 2026	28,600,000	8.9%
	– Development of software and applications to applying for the film and television production	20,000,000	8.9%	Expected to be used by December 2026	28,600,000	8.9%
	Sub-total	100,000,000	44.4%	Expected to be used by December 2026	142,900,000	44.4%

	Use of proceeds	Allocation of the net proceeds from the Subscription and the Warrant Subscription *HK$*	Percentage of the net proceeds from the Subscription and the Warrant Subscription	Expected timeline on utilisation	Allocation of the net proceeds from the full exercise of the Exercise Rights attaching to the Warrants[(Note)] *HK$*	Percentage of the net proceeds from the full exercise of the Exercise Rights attaching to the Warrants[(Note)]
(ii)	Investment in film and TV programme rights business					
	– Invest in at least one film and TV programme rights which the production base is located in the PRC and the initial target market is focused on the PRC local market	50,000,000	22.2%	Expected to be used by December 2026	71,400,000	22.2%
(iii)	General working capital					
	– General working capital, such as payment of staff salaries, settlement of professional fees, accounts and other payables, rental expenses, corporate utilities and expenses	75,100,000	33.4%	Expected to be used by December 2026	107,300,000	33.4%
	Total	225,100,000	100%		321,600,000	100%

Note:

Since the exercise period of the Warrant is five years for the date of issue, the Company would apply the net proceeds from the exercise of the Warrants by the Warrants Subscribers each time in the proportion as stated above and expect to utilise the aforesaid within 24 months from the date of each time of the exercise of the Warrants.

As at the Latest Practicable Date, the Company has not entered into any agreement, arrangement, undertaking or negotiation (formal or informal; express or implied) to acquire any new business that not related to the existing business of the Company and downsize or dispose of its existing businesses.

CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription and the Warrant Subscription (assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the Closing of the Subscription as well as the date on which the subscription rights attaching to such Warrants are exercised in full) are as follows:

Shareholders	**As at the Latest Practicable Date**		**Immediately after the Closing of the Subscription**		**Immediately after the Closing of the Subscription and exercise of the Warrants at the initial Exercise Price in full**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
The Subscriber/Warrant Subscriber *(Note 1)*	–	0%	727,638,000	16.60%	1,458,932,472	28.52%
Newwood Investments Limited *(Notes 2 and 3)*	265,171,082	7.25%	265,171,082	6.05%	265,171,082	5.18%
Numerous Joy Limited *(Notes 2 and 3)*	92,342,216	2.53%	92,342,216	2.11%	92,342,216	1.81%
Highrise Castle Limited *(Notes 2 and 3)*	800,000	0.02%	800,000	0.02%	800,000	0.02%
Mr. Dong Ping *(Notes 2 and 3)*	43,750,000	1.20%	43,750,000	1.00%	43,750,000	0.86%
Pacific Wits Limited *(Notes 2 and 4)*	438,625,528	12.00%	438,625,528	10.00%	438,625,528	8.57%
Tairong Holdings Limited *(Notes 2 and 5)*	438,625,528	12.00%	438,625,528	10.00%	438,625,528	8.57%
Panfaith Investments Limited *(Note 6)*	15,060,000	0.41%	15,060,000	0.34%	15,060,000	0.29%
Mr. Wang Hong *(Note 7)*	200,000	0.01%	200,000	0.00%	200,000	0.00%
Bilibili Inc. *(Note 8)*	328,366,954	8.98%	328,366,954	7.49%	328,366,954	6.42%
Maoyan Entertainment *(Note 9)*	208,430,000	5.70%	208,430,000	4.75%	208,430,000	4.07%
Other public Shareholders	1,825,101,054	49.91%	1,825,101,054	41.63%	1,825,101,054	35.68%
Total	3,656,472,362	100.00%	4,384,110,362	100.00%	5,115,404,834	100.00%

Notes (defined terms contained in these notes shall apply only to these notes):

1. The Subscriber is the same as the Warrant Subscriber.

2. On 14 April 2015, Mr. Dong Ping (the former Chairman of the Company and a former executive Director, "**Mr. Dong**"), Newwood Investments Limited ("**Newwood**"), Pacific Wits Limited ("**Pacific Wits**"), Mr. Ning Hao (a non-executive Director, "**Mr. Ning**"), Tairong Holdings Limited ("**Tairong**") and Mr. Xu Zheng (a non-executive Director, "**Mr. Xu**") entered into a shareholders agreement (the "**Shareholders Agreement**"), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company. Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.

3. Newwood, Numerous Joy Limited and Highrise Castle Limited are wholly owned by Mr. Dong. Mr. Dong is also a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.

4. Pacific Wits is wholly owned by Mr. Ning. Mr. Ning and Pacific Wits are also the parties to the Shareholders Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Tairong are interested by virtue of section 317 of the SFO.

5. Tairong is wholly owned by Mr. Xu. Mr. Xu and Tairong are also the parties to the Shareholder Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.

6. Panfaith Investments Limited is ultimately wholly owned by Mr. Li Xiaolong (an independent non-executive Director).

7. These Shares are jointly held by Mr. Wang Hong (an independent non-executive Director) and his spouse.

8. Such disclosure of interests was made in the form of notice pursuant to Part XV of the SFO disclosed by Bilibili Inc. on 31 December 2024.

9. Such disclosure of interests was made in the Company's announcement dated 14 October 2022.

The Subscription and Warrant Subscription are inter-conditional to each other and are subject to a number of conditions, which may or may not be fulfilled. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

INFORMATION ABOUT THE COMPANY

The Company is a company incorporated in Bermuda with limited liability. It is an investment holding company and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses, including development and investment in films and TV programme rights, as well as operation of an online video platform.

INFORMATION ABOUT THE SUBSCRIBER/WARRANT SUBSCRIBER

The Subscriber/the Warrant Subscriber is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. The ultimate beneficial owner of the Warrant Subscriber is Mr. Rong Chen. The Warrant Subscriber is the same as the Subscriber.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Warrant Subscriber and its ultimate beneficial owner are Independent Third Parties.

SGM

The SGM is convened to be held at 11:00 a.m. on Thursday, 8 January 2026 at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong, the notice of which is set out on pages SGM-1 to SGM-3 of this circular, for the Shareholders to consider, and if thought fit, to approve the Share Subscription Agreement, the Warrant Subscription Agreement and their respective transactions contemplated thereunder (including the grant of the Subscription Specific Mandate and the Warrant Specific Mandate). The voting in relation to resolutions to be proposed at the SGM will be conducted by way of a poll.

None of the Directors have a material interest in the Share Subscription Agreement and the Warrant Subscription Agreement and therefore they were not required under the Listing Rules to abstain from voting on the relevant Board resolutions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is, as at the Latest Practicable Date, materially interested in or involved in the Subscription and the Warrant Subscription (including the grant of the Subscription Specific Mandate and the Warrant Specific Mandate) and will be required to abstain from voting on the resolution(s) to the Share Subscription Agreement, the Warrant Subscription Agreement and their respective transactions contemplated thereunder (including the grant of the Subscription Specific Mandate and the Warrant Specific Mandate) at the SGM.

CLOSURE OF REGISTER OF MEMBERS

To ascertain the Shareholders' entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 5 January 2026 to Thursday, 8 January 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for ascertaining Shareholders' eligibility to participate in and vote at the SGM will be Thursday, 8 January 2026. In order to qualify for the entitlement to attend and vote at the SGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 2 January 2026.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it 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, Wanchai, Hong Kong by 11 a.m. on Tuesday, 6 January 2026 or not less than 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

RECOMMENDATIONS

The Board considers that the terms of the Share Subscription Agreement and the Warrant Subscription Agreement and the transactions contemplated thereunder (including the grant of the Subscription Specific Mandate and the Warrant Specific Mandate) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Share Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder (including the grant of the Subscription Specific Mandate and the Warrant Specific Mandate).

ADDITIONAL INFORMATION

Your attention is also drawn to the notice of the SGM set out on page SGM-1 to SGM-3 of this circular and the information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

The Exercise Price will be subject to adjustment in the following Adjustment Events:

(a) *Consolidation, Subdivision or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(b) *Capitalisation of Profits or Reserves*:

(A) If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account issued, save where Shares are issued in lieu of the whole or any part of a specifically declared cash Dividend (the "**Relevant Cash Dividend**"), being a Dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (a "**Scrip Dividend**"), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(B) In the case of an issue of Shares by way of a *Scrip Dividend* where the Current Market Price of such Shares on the date of announcement of the terms of such issue of Shares multiplied by the number of Shares issued exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which: (i) the numerator is the amount of the whole (or the relevant part) of the Relevant Cash Dividend; and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole (or the relevant part) of the relevant cash dividend; and

C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, the day immediately after such record date.

(c) *Capital Distribution*: If and whenever the Company shall pay or make any Capital Distribution to the Shareholders (except where the Exercise Price falls to be adjusted under Adjustment Event 6.6(b) above), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made or if a record date is fixed therefor, immediately after such record date.

(d) *Dividends*: If and whenever the Company shall pay or make any Dividend to the Shareholders, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such Dividend by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Dividend is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the cash distribution attributable to one Share.

Such adjustment shall become effective on the date that such Dividend is paid or if a record date is fixed therefor, immediately after such record date.

(e) *Rights Issues of Shares or Options over Shares*: If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the Current Market Price per Share on the on the last Trading Day preceding the first public announcement of the terms of the issue or grant, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case maybe, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case maybe) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(f) *Rights Issues of Other Securities*: If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or the issue or grant to all or substantially all Shareholders as a class by way of rights, of any options, warrants or other rights to subscribe for or purchase or otherwise acquire, any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case maybe).

(g) *Issues at less than Current Market Price* : If and whenever the Company shall issue (otherwise than as mentioned in Adjustment Event 6.6(d)) any Shares (other than Shares issued on the exercise of Exercise Rights or the options granted by the Company pursuant to its employee share option schemes, or any other rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in Adjustment Event 6.6(e) above and other than the options granted by the Company pursuant to its employee share option schemes) options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable by the Company for such additional Shares to be issued or otherwise made available or, as the case may be, upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and

C is the maximum number of additional Shares issued or the maximum number of Shares that maybe issued upon exercise of such options, warrants or rights.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Company of options, warrants or other rights to subscribe for or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case maybe, the grant of such options, warrants or other rights.

(h) *Other Issues at less than Current Market Price*: Save in the case of an issue of securities arising from a conversion or exchange of other existing securities in accordance with the terms applicable to such existing securities themselves falling within the provisions of this Adjustment Event 6.6(h), if and whenever the Company or any subsidiary of the Company (otherwise than as mentioned in Adjustment Events 6.6(d), 6.6(f) or 6.6(g) above) or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity (otherwise than as mentioned in Adjustment Events 6.6(d), 6.6(f) or 6.6(g) above) shall issue any securities (other than the Warrants and the options granted by the Company pursuant to its employee share option schemes) which by their terms of issue carry (directly or indirectly) rights of exercise into, or exchange or subscription for or purchase of, or to otherwise acquire, Shares issued or to be issued by the Company or securities which by their terms may be redesignated Shares receivable upon conversion, exchange, subscription or redesignation at a consideration per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such issue or grant (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Company for the purposes of, or in connection with, such issue, less the number of Shares so issued);

B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued or otherwise made available upon exercise or exchange or on exercise of the right of subscription or purchase or acquisition attached to such securities or, as the case maybe, the Shares would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued or otherwise made available upon exercise or exchange of such securities or on the exercise of such rights of subscription or purchase or acquisition attached thereto at the initial exercise, exchange or subscription price or rate or, as the case may be, the maximum number of Shares to be issued or to arise or to be made available from any such redesignation.

Such adjustment shall become effective on the date of issue of such securities.

(i) *Modification of Rights of Exercise etc.*: If and whenever there is any modification of the rights of exercise, exchange, subscription, purchase or acquisition attaching to any such securities as are mentioned in Adjustment Event 6.6(h) above (other than in accordance with the existing terms applicable to such securities) so that the consideration per Share (for the number of Shares available on exercise, exchange or subscription following the modification) is less than the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such modification (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Company for the purposes of, or in connection with, such issue, less the number of Shares so issued);

B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued, or otherwise made available, on exercise or exchange or on exercise of the right of subscription, purchase or acquisition attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing exercise, exchange, subscription or purchase price of such securities; and

C is the maximum number of Shares to be issued, or otherwise made available, on exercise or exchange of such securities or on the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified exercise, exchange, subscription or purchase price or rate but giving credit in such manner as the Expert considers appropriate (if at all) for any previous adjustment under this Adjustment Event 6.6(h) or Adjustment Event 6.6(i) above.

Such adjustment shall become effective on the date of modification of the rights of exercise, exchange, subscription, purchase or acquisition attaching to such securities.

(j) *Other Offers to Shareholders*: If and whenever there is an issue, sale or distribution by or on behalf of the Company or any subsidiary of the Company or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity of any securities in connection with an offer by or on behalf of the Company or any subsidiary of the Company or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 50 per cent. of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Exercise Price falls to be adjusted under Adjustment Event 6.6(d), 6.6(f), 6.6(g) or 6.6(h) above), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities.

(k) *Other Events*: If either: (i) the rights of conversion, exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for Shares or the rights carried by such securities to subscribe for or purchase Shares are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); or (ii) the Company determines that an adjustment should be made to the Exercise Price as a result of one or more events or circumstances not referred to in any other provisions of this Adjustment Event 6.6 which in either case have or would have an effect on the position of the warrantholder as a class compared with the position of the holders of all the securities (and options, rights and warrants relating thereto) of the Company, taken as a class, which is analogous to any of the events referred to in Adjustment Events 6.6(a)(a) to (j)) (including any demerger, spin-off or similar arrangement in respect of any business of the Company and its subsidiaries), then, in any such case, the Company shall at its own expense request the Expert to determine as soon as practicable what adjustment (if any) to the Exercise Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Exercise Price, and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination provided that where the circumstances giving rise to any adjustment pursuant to this Adjustment Event 6.6 have already resulted or will result in an adjustment to the Exercise Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Exercise Price, such modification (if any) shall be made to the operation of the provisions of this Adjustment Event 6.6 as maybe advised by the Expert to be in its opinion appropriate to give the intended result.

歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

NOTICE OF SGM

NOTICE IS HEREBY GIVEN that the special general meeting (the "**Meeting**") of Huanxi Media Group Limited (the "**Company**") will be held at 11:00 a.m. on Thursday, 8 January 2026 at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong to consider and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTION

(1) "THAT:

(a) the share subscription agreement dated 11 November 2025 (including and as amended by the share subscription amendment agreement dated 12 November 2025, the "**Share Subscription Agreement**") entered into between the Company as issuer and C River Co as the subscriber (the "**Subscriber**"), pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for 727,638,000 subscription shares (the "**Subscription Shares**") at HK$0.30 per Subscription Share (the "**Subscription Price**") and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) any one director of the Company (the "**Director**") be and is hereby authorised to do all such acts and things, sign and execute all such documents or agreements or deeds and take all such actions on behalf of the Company as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Share Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith as are, in the opinion of such Director, in the best interest of the Company and the Shareholders as a whole; and

* *For identification purposes only*

(c) conditional upon, among others, the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subscription Shares, the specific mandate to the Directors to exercise the powers of the Company for the allotment and issue of the Subscription Shares at the Subscription Price in accordance with the terms and conditions of the Share Subscription Agreement be and are hereby approved."

(2) "THAT:

(a) the warrant subscription agreement dated 11 November 2025 (including and as amended by the warrant subscription amendment agreement dated 12 November 2025, the "**Warrant Subscription Agreement**") entered into between the Company as issuer and C River Co as the warrant subscriber (the "**Warrant Subscriber**"), pursuant to which the Company has conditionally agreed to issue to the Warrant Subscriber 731,294,472 warrants (the "**Warrants**") at the issue price of HK$0.01 per Warrant and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) the issue of the Warrants by the Company to the Warrant Subscriber (or its designated nominee) in accordance with the terms and conditions of the Warrant Subscription Agreement and the instrument of the Warrants be and is hereby approved; and

(c) conditional upon, among others, the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Warrant Shares (as defined below), the specific mandate to the Directors to exercise the powers of the Company for the allotment and issue of the warrant shares (the "**Warrant Shares**") at the exercise price of HK$0.44 per Share (subject to adjustment in accordance with the term and conditions of the Warrants) which may fall to be allotted and issued upon the exercise of the exercise rights attaching to the Warrants in accordance with the terms and conditions of the Warrants be and are hereby approved."

By Order of the Board
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

Hong Kong, 22 December 2025

Registered office:
Victoria Place, 5th Floor,
31 Victoria Street
Hamilton HM 10, Bermuda

Principal Place of Business in Hong Kong:
11/F, Far East Finance Centre
16 Harcourt Road
Admiralty, Hong Kong

Notes:

1. All resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.

2. To ascertain a member's entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 5 January 2026 to Thursday, 8 January 2026, both days inclusive, during which period no transfer of the shares of the Company will be registered. The record date for ascertaining shareholders' eligibility to participate in and vote at the SGM will be Thursday, 8 January 2026. In order to qualify for the entitlement to attend and vote at the Meeting, all transfer of the shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 2 January 2026.

3. Any shareholder of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company. On a poll, votes may be given either personally or by a duly authorised corporate representative or by proxy.

4. The form of proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

5. The form of proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority shall be delivered to the office of the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 11 a.m. on Tuesday, 6 January 2026 or not less than 48 hours before the time appointed for holding any adjourned meeting.

6. No form of proxy shall be valid after the expiration of twelve (12) months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in a case where the Meeting was originally held within twelve (12) months from such date.

7. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the Meeting, either personally 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 be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

8. Delivery of a form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting or any adjournment thereof or upon the poll concerned, and in such event, the form of proxy should be deemed to be revoked.

9. If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 9:00 a.m. on the date of the Meeting, the Meeting will be postponed or adjourned. The Company will post an announcement on the website of the Company at www.huanximedia.com and on the HKEXnews website of the Stock Exchange at www.hkexnews.hk to notify the Company's shareholders of the date, time and place of the re-scheduled meeting.

10. The Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. The shareholders of the Company should make their own decision as to whether they would attend the Meeting under the bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

11. As at the date of hereof, the Board comprises Mr. Xiang Shaokun, Steven (Chief Executive Officer) and Ms. Hu Hui as executive Directors, Mr. Ning Hao and Mr. Xu Zheng as non-executive Directors, and Mr. Wong Tak Chuen, Mr. Li Xiaolong and Mr. Wang Hong as independent non-executive Directors.