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

If you have sold or transferred all your shares in Huanxi Media Group Limited (the “**Company**”), you should at once hand or forward this circular and the form of proxy to the purchaser or transferee or to the bank, licensed securities dealer 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)

- (1) RE-ELECTION OF THE RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE
DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS;
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(3) ADOPTION OF NEW SHARE OPTION SCHEME;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “**Meeting**”) of the Company to be held at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on 25 June 2024, Tuesday at 11:00 a.m. is set out on pages 33 to 38 of this circular.

Whether or not you intend to attend and vote at the Meeting, you are requested to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, by 11:00 a.m. on 23 June 2024, Sunday or in any event not later than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof to Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting should you so wish.

26 April 2024

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DEFINITIONS

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

“AGM” or “Meeting”	the annual general meeting of the Company convened to be held on 25 June 2024, to consider and, if appropriate, to approve the resolutions contained in the notice convening the Meeting which are set out on pages 33 to 38 of this circular
“Auditor”	the auditor of the Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“close associate(s)”	the meanings 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 Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any person(s) belonging to any of the following classes of participants who may be invited by the Directors to subscribe for Share(s) under the New Share Option Scheme including: (a) the Employee Participant(s); (b) the Related Entity Participant(s); and (c) the Service Provider(s)
“Employee Participant(s)”	director(s) and employee(s) of the Company or any of its subsidiaries (including person(s) who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies)
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 17 June 2014
“Grantee”	any Eligible Participant who accepts an Offer or (where the context so permits) his/her personal representatives
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to allot, issue or deal with additional Shares not exceeding twenty per cent of the aggregate number of the issued Shares at the date of passing such resolution
“Latest Practicable Date”	22 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme of the Company proposed to be approved at the AGM, a summary of its principal terms is set out in Appendix III to this circular
“Nomination Committee”	the nomination committee of the Company
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date, which must be a business day, on which an Offer is made to an Eligible Participant
“Option(s)”	as the context may require, any option(s) granted or (as the case may be) to be granted to eligible participant(s) to subscribe for Share(s) under the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which may not expire later than ten (10) years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the New Share Option Scheme; and (ii) ten (10) years from the Offer Date of that Option
“Related Entity Participant(s)”	director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to repurchase on the Stock Exchange the Shares up to ten per cent of the aggregate number of the issued Shares at the date of passing such resolution
“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
“Scheme Mandate Limit”	as defined in paragraph 3(a) of Appendix III to this circular
“Service Provider(s)”	person(s) who provide services to the member(s) of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, excluding placing agents or financial advisers who provide advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity
“Service Provider Sublimit”	as defined in paragraph 3(b) of Appendix III to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Share Scheme(s)”	the New Share Option Scheme and any other share scheme(s) adopted or to be adopted by the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

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

LETTER FROM THE BOARD



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

Executive Directors:

Dong Ping (*Chairman*)

Xiang Shaokun Steven (*Chief Executive Officer*)

Non-Executive Directors:

Ning Hao

Xu Zheng

Li Ni

Independent Non-Executive Directors:

Wong Tak Chuen

Li Xiaolong

Wang Hong

Registered Office:

Victoria Place, 5th Floor

31 Victoria Road

Hamilton HM10

Bermuda

*Head office and principal place
of business in Hong Kong*

11th Floor, Far East Finance Centre

16 Harcourt Road

Admiralty, Hong Kong

26 April 2024

To the Shareholders

Dear Sir or Madam,

**(1) RE-ELECTION OF THE RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE
DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS;
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(3) ADOPTION OF NEW SHARE OPTION SCHEME;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

This circular contains information relating to (i) the re-election of the retiring Directors and continue to appoint an independent non-executive Director who has served for more than nine years; (ii) the Issue Mandate; (iii) the Repurchase Mandate; and (iv) the proposed adoption of the New Share Option Scheme, so as to provide all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions proposed at the AGM and to give you notice of the AGM.

* *For identification purposes only*

LETTER FROM THE BOARD

2. RE-ELECTION OF THE RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS

Proposed Re-election of the Retiring Directors

The Directors retiring by rotation at the AGM in accordance with Bye-law 99 of the Bye-laws are Mr. Dong Ping, Ms. Li Ni and Mr. Wong Tak Chuen (“**Mr. Wong**”). All of them will, being eligible, offer themselves for re-election at the AGM. Information on the retiring Directors proposed to be re-elected at the AGM as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

The nominations were made in accordance with the nomination policy of the Company and the objective criteria (including without limitation, backgrounds, skills, experience and perspectives that would complement the existing Board), with due regard to the benefits of diversity as set out under the board diversity policy of the Company.

Each of the independent non-executive Directors has given an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Nomination Committee assessed and reviewed the independence of all independent non-executive Directors, the Nomination Committee is of the view that all independent non-executive Directors have satisfied all the criteria for independence set out in rule 3.13 of the Listing Rules.

The Nomination Committee has also reviewed and considered each retiring Director’s respective experience, skills and knowledge, and recommended to the Board that the re-election of all retiring Directors will be proposed for Shareholders’ approval at the AGM. In addition to the experience, skills and knowledge of retiring Directors as mentioned above, the Board also considered that their cultural, educational background and professional experience as well as their respective geographic locations would bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments would contribute to diversity of the Board appropriate to the requirements of the Company’s business.

Proposed Continuous Appointment of an Independent Non-Executive Director Who Has Served for More Than Nine Years

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders.

LETTER FROM THE BOARD

Mr. Wong has been appointed as independent non-executive Director for more than nine years since 10 April 2014. Nonetheless, the Board is of the view that Mr. Wong meets the independence guidelines set out in Rule 3.13 of the Listing Rules and maintains his independent in accordance with the terms of such guidelines. During his tenure as independent non-executive Director, Mr. Wong has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments, judgment from the perspective of his background coupled with his general understanding of the business of the Group. Mr. Wong has not engaged in any executive management of the Group. In view of Mr. Wong's extensive experience in the commercial field, the Board believes that he is capable to provide constructive contributions and objective view to the Board and contribute to the diversity of the Board. After careful consideration, the Board is of that view that Mr. Wong continued to demonstrate strong independence in judgement and his position outside the Company will not affect him in maintaining his current role in, and his functions and responsibilities for, the Company. Therefore, the Board considers Mr. Wong is still independent and should be re-elected. The re-appointment of Mr. Wong at the AGM will be in accordance with the relevant provision as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules, which requires, inter alia, the approval of a separate resolution by the Shareholders.

3. GENERAL MANDATE TO ISSUE SHARES

To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, an ordinary resolution will be proposed at the AGM to grant to the Directors a general and unconditional mandate to allot, issue and deal with an additional Shares up to 20% of the aggregate number of the issued Shares as at the date of passing of the proposed resolution of the Issue Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 3,656,472,362 Shares. Subject to the passing of the resolution approving the Issue Mandate and on the basis that no further Shares will be issued or repurchased between the Latest Practical Date and the date of the AGM, the Company would be authorised to allot, issue and deal with up to a maximum of 731,294,472 new Shares.

In addition, if the Repurchase Mandate is granted, a separate ordinary resolution will be proposed at the AGM to extend the number of Shares which may be allotted, issued and dealt with under the Issue Mandate by adding the number of Shares repurchased under the Repurchase Mandate (being an aggregate number of Shares up to 10% of the issued Shares as at the date of the grant of the Repurchase Mandate).

4. GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to grant to the Directors authority to repurchase Shares up to 10% of the aggregate number of the issued Shares as at the date of passing the proposed resolution of the Repurchase Mandate. An explanatory statement as required under the Listing Rules to provide the requisite information concerning the Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

5. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

In view of the Stock Exchange's amendments to the Listing Rules relating to share options schemes and share award schemes of listed issuers which came into effect on 1 January 2023 ("Share Schemes Amendments") and the Existing Share Option Scheme will soon expire on 17 June 2024, the Board proposes to adopt the New Share Option Scheme in accordance with the Share Schemes Amendments. Accordingly, ordinary resolutions will be proposed at the AGM for adoption of the New Share Option Scheme.

The Existing Share Option Scheme

The adoption date of the Existing Share Option Scheme was 17 June 2014. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and effective until 17 June 2024, being ten (10) years after the adoption date of the Existing Share Option Scheme.

Pursuant to the terms of the Existing Share Option Scheme, after termination of the Existing Share Option Scheme, no further Options will be offered but the provisions of the Existing Share Option Scheme regarding any outstanding Options shall remain in full force and effect. Such Options shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme. As at the Latest Practicable, the following Options remained outstanding:

Participants	Date of grant	Outstanding at the Latest Practicable Date	Exercise price per share (HK\$)
Mr. Dong Ping	27 April 2018	2,700,000	2.08
Mr. Xiang Shaokun, Steven	27 April 2018	27,000,000	2.08
Eligible employees	27 April 2018	<u>101,000,000</u>	2.08
Total		<u><u>130,700,000</u></u>	

Notes:

1. The share options are exercisable as follows:

Exercise criteria (Commencing from the date of the grantee's commencement of employment with the Group)	Number of share options can be exercised
(i) On completion of the continuous employment of the grantee with the Group for 1 year	Up to one-third of the share options granted
(ii) On completion of the continuous employment of the grantee with the Group for 2 years	Up to two-thirds of the share options granted
(iii) On completion of the continuous employment of the grantee with the Group for 3 years	Up to all of the share options granted

LETTER FROM THE BOARD

2. The validity period of the share options is from 27 April 2018 to 17 June 2024 (both days inclusive) subject to the provisions for early termination contained in the Share Option Scheme and certain vesting conditions applicable to the relevant grantee(s).

The New Share Option Scheme

Purpose

The purposes of the New Share Option Scheme are to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to recruit and retain high-calibre Eligible Participants and attract human resources that are valuable to the Group.

Eligible Participants

The New Share Option Scheme enables the Company to grant Option(s) to Eligible Participant(s) including Employee Participant(s), Related Entity Participant(s) and Service Provider(s).

The Directors (including the independent non-executive Directors) are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to the Employee Participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole. The Directors (including the independent non-executive Directors) are of the view that the eligibility of the Related Entity Participants and the Service Providers to participate in the New Share Option Scheme is consistent with the purposes of the New Share Option Scheme, which allows the Group to use Options as incentives and rewards instead of cash incentives to encourage personnel both inside and outside of the Group to contribute to the Group, which can mutually benefit from the long-term growth of the Group. The grant of Options to the Related Entity Participants and the Service Providers would not only align the interest of the Group with such Grantees, but would also strengthen their relationship with the Group and can promote a higher degree of their participation and involvement in promoting the business of the Group and be conducive to maintaining a stable long-term relationship with the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the proposed categories of the Related Entity Participants and the Service Providers in the New Share Option Scheme are in line with the Company's business needs or the industry norm, and that the criteria for selection of the Related Entity Participants and the Service Providers and the proposed terms of the grants (such as, if any, vesting requirements and performance targets) under the New Share Option Scheme are in line with the purpose of the New Share Option Scheme, are fair and reasonable and in the interests of the Company and the Shareholders as a whole because this gives the Company the flexibility to grant options and awards (instead of cash reward or other settlement) to the Related Entity Participants and the Service Providers when necessary.

LETTER FROM THE BOARD

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select Eligible Participant(s) to whom the Option(s) shall be granted. The basis of eligibility of the Eligible Participant(s) to an Offer shall be determined by the Directors from time to time in their absolute discretion in accordance with all relevant factors, a summary of which is set out in paragraph 2 of Appendix III to this circular.

Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, there were 3,656,472,362 Shares in issue. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of adoption of the New Share Option Scheme, and subject to the passing of the relevant resolutions, the Scheme Mandate Limit will be 365,647,236 Shares, being 10% of the Company's issued share capital as at the date of approval of the New Share Option Scheme by the Shareholders at the AGM. The Scheme Mandate Limit (and the Service Provider Sublimit) may however be refreshed as detailed in sub-paragraph (3)(c) of Appendix III to this circular.

1% out of the Scheme Mandate Limit shall be the Service Provider Sublimit. The basis for determining the Service Provider Sublimit includes the actual or expected contribution in the Group's turnover or profits attributable to the Service Provider(s), the nature of the contributions made by the Service Provider(s) to the Group's business and operations, the potential dilution effect arising from such grant(s) to the Service Provider(s), the need to strike a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the said dilution effect. Taking into account the fact that (i) the individual limit prescribed in Chapter 17 of the Listing Rules is also 1% of the Shares in issue; (ii) the Service Provider Sublimit would not lead to an excessive dilution effect on the shareholdings of the existing Shareholders; (iii) due to the business and operations of the Group, certain Service Providers, in particular, the independent contractors, agents, consultants, advisers, actors, directors, producers, screenwriters, publishers and distributors, who provide services akin to the employees of the Group, may not be able to serve as full-time or part-time employees of the Group; and (iv) the New Share Option Scheme can motivate the Service Provider(s) to provide reliable and high-quality services to the Group on a long-term basis which are conducive to the Group's development and success in the long run, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

LETTER FROM THE BOARD

Performance targets and clawback

The rules of the New Share Option Scheme will not prescribe specific performance targets that must be met before an Option can be exercised or clawback mechanism to recover or withhold the Options to be granted. However, the rules of the New Share Option Scheme will give the Board discretion to impose such conditions on the Options or prescribe such clawback mechanism where appropriate. The Directors consider that it may not always be appropriate to impose such conditions or prescribe such clawback mechanism particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions, and for the avoidance of doubt, Option(s) will not be granted to Eligible Participants solely based on past contributions; therefore consider it more beneficial to the Company to retain the flexibility to determine whether such conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant, which aligns with the purpose of the New Share Option Scheme. Where Options were granted to the Directors or senior management of the Company without performance targets and/or clawback mechanism, the Company will comply with the requirements under Rule 17.06B(8) of the Listing Rules that the relevant announcement will include the views of the Remuneration Committee on why performance targets and/or a clawback mechanism is/are not necessary and how the grants would align with the purpose of the New Share Option Scheme.

Vesting period

The vesting period of the Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months. However, where the Eligible Participant is an Employee Participant, the Remuneration Committee (in the case where such Employee Participant is a Director or a senior manager identified by the Company) or the Directors (in the case where such Employee Participant is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) considers that a shorter vesting period is appropriate to align with the purpose of the New Share Option Scheme, including the circumstances set out in paragraph 7 of Appendix III to this circular.

To ensure the practicability in fully achieving the purpose of the New Share Option Scheme, the Board and the Remuneration Committee consider that (i) there are certain instances where a strict 12-month vesting requirement may not work or would be unfair to holder(s) of the Options; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition; and (iv) the Company should have flexibility to impose vesting conditions such as performance-based vesting conditions in lieu of time-based vesting criteria depending on individual circumstances. As such, the Board and the Remuneration Committee are of the view that the shorter vesting period as described above and also set out in paragraph 7 of Appendix III to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

Exercise Price

The exercise price of the Options under the New Share Option Scheme, shall be no less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the relevant Offer; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date of relevant Offer; and (iii) the nominal value of a Share. This is in line with Rule 17.03E of the Listing Rules and the purpose of the New Share Option Scheme to the extent that the Grantees of Options are expected to make effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

Conditions of the adoption of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be issued by the Company pursuant to the exercise of the Option(s) in accordance with the terms and conditions of the New Share Option Scheme; and
- (b) the passing of the necessary resolutions by the Shareholders at the AGM to approve and adopt the New Share Option Scheme, authorise the Directors to grant Option(s) under the New Share Option Scheme and issue Shares pursuant to the exercise of any Option(s) granted.

General

The New Share Option Scheme shall be administered by the Directors whose decision on all matters arising in relation to the New Share Option Scheme or their interpretation or effect shall be, in their absolute discretion and subject to the provisions of the New Share Option Scheme, final and binding on all persons who may be affected thereby. As at the Latest Practice Date, the Company does not have any plan to appoint any trustee under the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which are proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme will be published on the Stock Exchange's website and the Company's website for 14 days from the date of this circular.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Option(s) granted under the New Share Option Scheme (up to 10% of the Shares in issue as at the date of the AGM).

As at the Latest Practicable Date, no Option had been granted or agreed to be granted under the New Share Option Scheme. The Company currently does not have any intention or plan to grant any Option under the New Share Option Scheme.

LETTER FROM THE BOARD

6. THE AGM

A notice convening the AGM is set out in this circular. A form of proxy for use at the AGM is published on the website of the Company (www.irasia.com/listco/hk/huanximedia) and the Stock Exchange's website (www.hkexnews.hk). Whether or not you intend to attend and vote at the Meeting, you are requested to complete and return the form of proxy, in accordance with the instructions printed thereon, by 11:00 a.m. on 23 June 2024, Sunday or in any event not later than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof to Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting should you so wish.

As at the Latest Practicable Date, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, no shareholder is required to abstain from voting at the AGM.

7. VOTE BY POLL

All the resolutions set out in the notice of the AGM will be voted by way of poll in accordance with Bye-law 70 of the Bye-laws. Explanation of the detailed procedures for conducting a poll will be provided to the Shareholders at the AGM.

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 20 June 2024, Thursday to 25 June 2024, Tuesday (both days inclusive), during such period no transfer of Shares will be registered. In order to qualify for the attendance and vote at the AGM, all transfer accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 19 June 2024, Wednesday.

9. RESPONSIBILITY STATEMENT

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

LETTER FROM THE BOARD

10. RECOMMENDATION

The Directors consider that (i) the proposed re-election of the retiring Directors and continue to appoint an independent non-executive Director who has served for more than nine years; (ii) the Issue Mandate; (iii) the Repurchase Mandate; and (iv) the proposed adoption of the New Share Option Scheme, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully

For and on behalf of the Board of

Huanxi Media Group Limited

Xiang Shaokun, Steven

Executive Director and Chief Executive Officer

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

The particulars of the retiring Directors proposed for re-election at the AGM are set out as follows:

1. Mr. Dong Ping (“Mr. Dong”)

Mr. Dong, aged 62, was appointed as an executive Director on 2 September 2015, re-designated as the chairman (the “**Chairman**”) of the board (the “**Board**”) of Directors on 15 January 2016 and is also a member of remuneration committee and a member of nomination committee of the Company. Mr. Dong is also director of a number of subsidiaries of the Company. Mr. Dong has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields and was the former chairman of ChinaVision Media Group Limited (now known as Alibaba Pictures Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1060). Mr. Dong has been the principal investor, producer and co-producer of various internationally renowned films, including *Crouching Tiger, Hidden Dragon* (臥虎藏龍) (directed by Mr. Ang Lee (李安)), *Devils on the Doorstep* (鬼子來了) (directed by Mr. Jiang Wen (姜文)), *Peacock* (孔雀) (directed by Mr. Gu Changwei (顧長衛)), *Let the Bullets Fly* (讓子彈飛) (directed by Mr. Jiang Wen (姜文)), *Journey to the West: Conquering the Demons* (西遊·降魔篇) (directed by Mr. Stephen Chow (周星馳)), *Dearest* (親愛的) (directed by Mr. Chan Ho Sun Peter (陳可辛)), *Breakup Buddies* (心花路放) (directed by Mr. Ning Hao) and *Dying to Survive* (我不是藥神) (co-produced by Mr. Ning Hao and Mr. Xu Zheng). Some of these films have won numerous major awards in both domestic and overseas film festivals. From August 2003 to April 2005, Mr. Dong was the president of Asian Union Film and Media. Between 31 May 2005 and 11 January 2008, Mr. Dong was appointed as an executive director of Asian Union New Media (Group) Limited (now known as Huayi Tencent Entertainment Co. Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 419), and was the chairman of the board of directors of this company from 12 May 2006 to 11 January 2008.

As at the Latest Practical Date, Mr. Dong was deemed to be interested in 1,477,034,354 Shares (being 461,711,082 Shares held by Newwood Investments Limited (“**Newwood**”), 92,342,216 Shares held by Numerous Joy Limited (“**Numerous Joy**”), 800,000 Shares held by Highrise Castle Limited (“**Highrise**”), 42,230,000 Shares held by Mr. Dong, 2,700,000 underlying Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits Limited (“**Pacific Wits**”) and 438,625,528 Shares held by Tairong Holdings Limited (“**Tairong**”)) within the meaning of Part XV of the SFO. On 14 April 2015, Mr. Dong, Newwood, Mr. Ning Hao (“**Mr. Ning**”), Pacific Wits, Mr. Xu Zheng (“**Mr. Xu**”) and Tairong 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. Mr. Dong is a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Mr. Ning, Pacific Wits, Mr. Xu and Tairong are interested by virtue of section 317 of the SFO. Please refer to Appendix II to this circular for details.

Pursuant to the latest service agreement entered into between the Company and Mr. Dong, Mr. Dong’s appointment is for a term of 2 years from 2 September 2023 and shall be subject to retirement by rotation and re-election in accordance with the Bye-laws and the Listing Rules. Mr. Dong is currently entitled to receive an annual remuneration of HK\$331,000. Apart from the benefit entitlement under the service agreement, Mr. Dong will receive other benefits and discretionary performance related bonus during his term of service. Mr. Dong received other benefits of approximately HK\$1,493,000 and performance related bonus of HK\$9,100,000 for the year ended 31 December 2023. His remuneration is determined by the Board with reference to his experience and the prevailing market rate.

2. Ms. Li Ni (“Ms. Li”)

Ms. Li, aged 38, was appointed as a non-executive Director on 21 September 2020. Ms. Li has served as the chief operating officer of Bilibili Inc. (NASDAQ Trading Symbol: BILI) (Hong Kong Stock Exchange stock code: 9626) since November 2014 and vice chairwoman of the board of directors of Bilibili Inc. since January 2015. Ms. Li oversees the platform operations, sales and commercial cooperation, content ecosystem partnership, and strategic planning and investments of Bilibili.

Pursuant to the latest letter of appointment entered into between the Company and Ms. Li, Ms. Li’s appointment is for a term of 2 years from 21 September 2022 and shall be subject to retirement by rotation and re-election in accordance with the Bye-laws and the Listing Rules. Pursuant to the letter of appointment, Ms. Li is entitled to receive an annual remuneration of HK\$240,000. Her remuneration is determined by the Board with reference to her experience and the prevailing market rate.

3. Mr. Wong Tak Chuen (“Mr. Wong”)

Mr. Wong, aged 59, joined the Company as an independent non-executive Director on 10 April 2014. Mr. Wong is the chairman of the audit committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales, respectively. He has over 20 years of experience in auditing, financial management, mergers and acquisitions gained from certain senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States of America. He is currently a practising Certified Public Accountant in Hong Kong. Mr. Wong is currently an independent non-executive director of (i) Eternity Investment Limited (stock code: 764, a company listed on the Main Board of the Stock Exchange) since 7 November 2011; and (ii) China Healthwise Holdings Limited (stock code: 348, a company listed on the Main Board of the Stock Exchange) since 11 October 2016. Mr. Wong was an independent non-executive director of Man Sang International Limited (stock code: 938, a company listed on the Main Board of the Stock Exchange) from 12 July 2016 to 5 November 2018.

Pursuant to the latest letter of appointment entered into between the Company and Mr. Wong, Mr. Wong’s appointment is for a term of 2 years from 2 September 2023 and shall be subject to retirement by rotation and re-election in accordance with the Bye-laws and the Listing Rules. Pursuant to the letter of appointment, Mr. Wong is entitled to receive an annual remuneration of HK\$240,000. His remuneration is determined by the Board with reference to his experience and the prevailing market rate.

As at the Latest Practicable Date, save as disclosed above, the above retiring Directors have no interest in the Shares within the meaning of Part XV of the SFO, has not held any other directorships in any public listed companies in the past three years, were not connected with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules) and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of the Shareholders.

This explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, serves to provide the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 3,656,472,362 Shares in issue. Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be authorised to repurchase up to a maximum of 365,647,236 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchase may, depending on market conditions and funding arrangement at the time, result in enhancement of the net assets value and/or earnings per Share and will only be made when the Directors consider that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company, Bye-laws, the Listing Rules and the applicable laws of Bermuda. As compared with the financial position disclosed in the latest published audited financial statements of the Company as at 31 December 2023, there might have adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not propose to make any repurchase to the extent that would have a material adverse effect on the working capital requirement or gearing level of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

4. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of repurchase of Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' voting right at the time, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

On 14 April 2015, the Company and nine subscribers, namely Newwood, Numerous Joy, Pacific Wits, Tairong, Wise Dragon International Limited, Gold Shine Investment Company Limited, Dayunmony Investment Corporation, Concept Best Limited and Reorient Global Limited (collectively, the "**Subscribers**") entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which the Company conditionally agreed to allot and issue, and the Subscribers conditionally agreed to subscribe for, a total of 1,701,416,556 new Shares (the "**Subscription Shares**") at an issue price of HK\$0.4 per Share (the "**Subscription**"). Details of the Subscription are set out in the Company's circular dated 5 August 2015. The Subscription was approved by the independent Shareholders at the Company's special general meeting held on 28 August 2015 and the Subscription Shares were allotted to the Subscribers on 2 September 2015.

On 14 April 2015, Mr. Dong, Newwood, Pacific Wits, Mr. Ning, Tairong and Mr. Xu entered into the Shareholders Agreement, which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the Subscription.

Mr. Dong directly owned the entire issued share capital of three corporations, namely Newwood, Numerous Joy and Highrise. Mr. Ning directly owned the entire issued share capital of Pacific Wits and Mr. Xu directly owned the entire issued share capital of Tairong.

In light of the above, Mr. Dong, Newwood, Numerous Joy, Highrise, Pacific Wits, Mr. Ning, Tairong and Mr. Xu are parties acting in concert pursuant to the Takeovers Code and their beneficial ownership in the voting rights of the Company as at the Latest Practicable Date are as follows:

Name of Shareholders	Number of Share	Approximate percentage of shareholding in the Company's issued share Capital	In the event that the Repurchase Mandate is exercised in full, the approximate percentage of shareholding
Mr. Dong	42,230,000	1.15%	1.28%
Newwood	461,711,082	12.63%	14.03%
Numerous Joy	92,342,216	2.53%	2.81%
Highrise	800,000	0.02%	0.02%
Pacific Wits	438,625,528	12.00%	13.33%
Tairong	438,625,528	12.00%	13.33%
Total	<u>1,474,334,354</u>	<u>40.32%</u>	<u>44.80%</u>

Mr. Dong, Newwood, Numerous Joy, Highrise, Pacific Wits and Tairong, being parties acting in concert, in aggregate held 1,474,334,354 Shares, representing approximately 40.32% shareholding in the Company as at the Latest Practicable Date.

Based on the information above, in the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the aggregate voting rights of Mr. Dong, Newwood, Numerous Joy, Highrise, Pacific Wits and Tairong, who are parties acting in concert, in the Company would increase from approximately 40.32% to approximately 44.80% of the issued share capital of the Company. Such exercise of the Repurchase Mandate in full to repurchase the Shares will trigger an obligation of Mr. Dong, Newwood, Numerous Joy, Highrise, Mr. Ning, Pacific Wits, Mr. Xu and Tairong to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. However, the Directors do not have any present intention to exercise the Repurchase Mandate to such an extent as will trigger such obligation under the Takeovers Code.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Shares	
	Highest (HK\$)	Lowest (HK\$)
2023		
April	1.16	0.98
May	1.24	0.98
June	1.24	1.00
July	1.24	0.99
August	1.10	0.77
September	0.99	0.78
October	0.84	0.53
November	0.81	0.66
December	0.77	0.60
2024		
January	0.69	0.55
February	0.67	0.53
March	0.62	0.50
April (up to the Latest Practicable Date)	0.77	0.51

6. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

7. GENERAL

None of the Directors, nor to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) has any present intention to sell any of the Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the laws of Bermuda.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

Neither this explanatory statement in this appendix nor the proposed share repurchase pursuant to the Repurchase Mandate has any unusual features.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM:

(1) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purposes of the New Share Option Scheme are to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to recruit and retain high-calibre Eligible Participants and attract human resources that are valuable to the Group.

(2) WHO MAY JOIN

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may, subject to the provisions of the New Share Option Scheme and the Listing Rules, invite any of the following Eligible Participant(s) to subscribe for Shares:

- (a) director(s) and employee(s) of the Company or any of its subsidiaries (including person(s) who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies) (“**Employee Participant(s)**”);
- (b) director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company (“**Related Entity Participant(s)**”); and
- (c) person(s) who provide services to the member(s) of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, excluding placing agents or financial advisers who provide advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity (“**Service Provider(s)**”).

For the avoidance of doubt, no grant of any Options by the Company shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors’ opinion in their absolute discretion as to his/her contribution or potential contribution to the development and growth of the Group, taking into account factors including but not limited to the nature and extent of contributions provided or potential contributions to be provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by such Eligible Participant which are beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought or may bring to the Group’s business and development and whether making an Offer to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

Service Providers

In assessing the eligibility of any of the Service Providers, the Directors will consider all relevant factors as appropriate, including, among others:

- (a) the expertise, professional qualifications and industry experience of the Service Provider;
- (b) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services;
- (c) the prevailing market fees chargeable by other services providers;
- (d) the Group's period of engagement of or collaboration with the Service Provider;
- (e) the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit;
- (f) the scale of the Service Provider's business dealings with the Group in terms of purchases or sales attributable to him/her;
- (g) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group;
- (h) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and
- (i) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.

Further, with respect to the eligibility of each category of the Service Providers, the Directors will on a case-by-case basis, consider specifically the following factors:

(a) *Contractors, agents, consultants and advisers*

Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide advisory services, consultancy services, sales and marketing services and/or other professional services to the Group on areas related to the Group's principal business activities in media and entertainment-related businesses and/or other principal business activity(ies) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customer or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will take into account, amongst others, (i) individual performance of the relevant contractor, agent, consultant and/or adviser; (ii) their knowledge, experience and network in the relevant industry; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (vi) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business; and (vii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

(b) Actors, directors, producers, screenwriters, publishers and distributors

Service Providers under this category are mainly independent actors, directors, producers, screenwriters, publishers and distributors with whom the Group has collaborated or will collaborate in the film development and investment business of the Group, who have helped or will help maintain or enhance the competitiveness of the Group by way of increasing income or enhancing awareness of the Group and/or applying their specialised skills and/or knowledge in the film and entertainment industries.

The Board will take into account, amongst others, (i) the individual performance and/or talent of the relevant actors, directors, producers, screenwriters, publishers and/or distributors; (ii) the knowledge, experience and network in the relevant industry of the relevant actors, directors, producers, screenwriters, publishers and/or distributors; (iii) the background, reputation and track record of the relevant actors, directors, producers, screenwriters, publishers and/or distributors; (iv) the frequency of collaboration and length of business relationship with the Group; (v) the materiality and nature of the business relationship between the relevant actors, directors, producers, screenwriters, publishers and/or distributors; (vi) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such actors, directors, producers, screenwriters, publishers and/or distributors could bring positive impacts to the Group's business and/or expand its revenue streams by referring or introducing new customers, suppliers, partners and/or business opportunities to the Group; and (vii) other factors, including but not limited to the capability, expertise and/or business connections of the relevant actors, directors, producers, screenwriters, publishers and/or distributors, and/or the synergy between the relevant actors, directors, producers, screenwriters, publishers and/or distributors.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Directors will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to (c) and (d) below, the total number of Shares which may be issued in respect of all Options and Awards to be granted under the New Share Option Scheme and any other Share Scheme(s) must not in aggregate exceed 10% of the Shares in issue on the date which the New Share Option Scheme is approved by the Shareholders, which is 365,647,236 Shares (assuming there will be no change in the number of the issued Shares between the Latest Practicable Date and the date of approval of the New Share Option Scheme) (“**Scheme Mandate Limit**”).
- (b) Within the Scheme Mandate Limit and subject to (c) below, the total number of Shares which may be issued in respect of all Options and Awards to be granted to the Service Provider(s) under the New Share Option Scheme and any other Share Scheme(s) must not in aggregate exceed 1% of the Shares in issue on the date which the New Share Option Scheme is approved by the Shareholders (“**Service Provider Sublimit**”).
- (c) The Company may obtain approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit) after three (3) years from the date the New Share Option Scheme is approved by the Shareholders or the date of Shareholders’ approval for the last refreshment provided that:
- (i) the total number of Shares which may be issued in respect of all Options and Awards to be granted under all of the Share Schemes under the Scheme Mandate Limit as refreshed (“**New Scheme Limit**”) must not exceed 10% of the Shares in issue at the date of the Shareholders’ approval of such New Scheme Limit;
 - (ii) any refreshment to the Scheme Mandate Limit (and the Service Provider Sublimit) within any three (3)-year period must be approved by the Shareholders, where any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules; and
 - (iii) the requirements under (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- (d) Without prejudice to (c) above, the Company may seek separate Shareholders’ approval in general meeting to grant Options under the New Share Option Scheme beyond the Scheme Mandate Limit, provided the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of Options to be granted to such Eligible Participant must be fixed before Shareholders’ approval.

(4) LIMIT ON LARGE GRANT OF OPTIONS TO INDIVIDUAL ELIGIBLE PARTICIPANT

There is no limit on the maximum entitlement of a Grantee under the New Share Option Scheme. Subject to paragraph (5) below, where any grant of Options to a Grantee (i.e. Employee Participant, Related Entity Participant and Service Provider) would result in the Shares issued and to be issued in respect of all Options and Awards granted to such Grantee (excluding any Options or Awards lapsed in accordance with the terms of the Share Scheme(s)) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Grantee and his/her close associates (or associates where such Grantee is a connected person of the Company) abstaining from voting.

(5) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of Options under the New Share Option Scheme to any director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Options).
- (b) Where any grant of Options to an independent non-executive Director or a substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options and Awards already granted (excluding any Options or Awards lapsed in accordance with the terms of the Share Scheme(s)) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by the Shareholders in general meeting.
- (c) Any change in the terms of Options granted to an Eligible Participant who is a director, chief executive or substantial Shareholder or any of their respective associates must be approved by the Shareholders in accordance with the Listing Rules if the initial grant of the Options requires such approval in accordance with the terms of the New Share Option Scheme and the Listing Rules (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

(6) TIME OF ACCEPTANCE OF AN OFFER OF THE GRANT OF OPTION AND EXERCISE OF OPTION

An offer shall remain open for acceptance by the Eligible Participant concerned for a period of up to twenty-one (21) days from the Offer Date and the Option in respect of the number of Shares in respect of which the Offer is so accepted will be deemed to have been granted on the Offer Date, subject to vesting.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on a day upon which the Offer for the grant of Option is made but may not end later than ten (10) years from the Offer Date subject to the provisions for early termination thereof.

(7) VESTING PERIOD

The vesting period in respect of any Option granted to any Eligible Participant shall not be less than 12 months from the Offer Date, provided that where the Eligible Participant is an Employee Participant, the Remuneration Committee (in the case where such Employee Participant is a Director or a senior manager identified by the Company) or the Directors (in the case where such Employee Participant is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) considers that a shorter vesting period is appropriate to align with the purpose of the New Share Option Scheme, including where:

- (a) grants of “make-whole” Options to Employee Participants who newly join the Group to replace the share options they forfeited when leaving the previous employers;
- (b) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;
- (c) grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (d) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted; or
- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months.

Notwithstanding the terms and conditions of the New Share Option Scheme, the Directors may provide in the notice of the Offer that any Option prior to it being exercised may be subject to clawback and/or a longer vesting period if any of the Clawback Events (as defined in paragraph (9) below) shall occur.

(8) PERFORMANCE TARGETS

Subject to the terms and conditions of the New Share Option Scheme, the Directors may establish performance targets against the attainment of which the Options granted to the Eligible Participant concerned may be exercised either in whole or in part. The Directors shall have the authority, after the grant of any Option which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during an Option Period due to any change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Directors.

The performance targets to be imposed may be linked to the individual Grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit, line of business, project, geographic or individual key performance indicators, which may include cash flow, earnings, earnings per share, market value added or economic value added, profits, return on assets, return on equity, return on investment, sales, revenue, Share price, total Shareholder return, customer satisfaction metrics, ratings, reviews, and such other goals as the Board may determine from time to time and assess either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, previous years' results or a designated comparison group, in each case as specified by the Directors in their sole discretion.

(9) CLAWBACK MECHANISM

The Directors may provide in the notice of the Offer that any Option prior to it being exercised may be subject to the clawback mechanism that if any of the following events ("**Clawback Events**") shall occur during an Option Period:

- (a) the Grantee being involved in any wrongdoing involving material misstatement in the audited financial statements of the Company that requires a restatement;
- (b) the Grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria;
- (c) grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (d) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (e) the Grantee's employment being terminated summarily;
- (f) the Grantee being convicted of any criminal offence involving his/her integrity or honesty; or
- (g) if a grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may by notice in writing to the Grantee concerned (i) claw back such number of Options (to the extent not being exercised) granted as the Directors may consider appropriate; and/ or (ii) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. For the purpose of the clawback mechanism, such cancellation needs not be subject to consent of the relevant Grantee as required in paragraph (22).

In deciding whether any Option will be subject to the clawback mechanism at the time of grant, the Directors will take into consideration the likelihood of the occurrence of the Clawback Events based on the background, character and reputation of the relevant Grantee as well as the materiality, length and nature of his/her relationship with the Group.

(10) EXERCISE OF OPTIONS

Subject to paragraphs (7), (8) and (9) and unless otherwise determined by the Directors and stated in the Offer to a Grantee, (i) a Grantee is not required to hold an Option for any minimum period and, if applicable, achieve the performance targets as specified in the Offer to such Grantee before any Options granted to him/her can be exercised; and (ii) any Option granted is not subject to the clawback mechanism referred to in paragraph (9) above.

(11) EXERCISE PRICE

The exercise price in respect of any Option shall be a price determined at the discretion of the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an Option.

(12) RANKING OF SHARES

Shares to be issued upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank *pari passu* in all respects (including voting, dividend, transfer and other rights, including those arising on a liquidation of the Company) with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members ("**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Exercise Date. No dividend (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. A Share issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

(13) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange: (a) the Company may not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced such information. In particular, the Company may not grant any Option during the period commencing one (1) month immediately before the earlier of (i) the date of the meeting of the Directors (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the last date on which the Company must announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), including any period of delay in publishing the results announcement and ending on the date of the results announcement; and (b) the Directors may not make any Offer to an Eligible Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company during the periods or times in which such Eligible Participant is prohibited from dealing in Shares pursuant to such code.

(14) PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of ten (10) years commencing on the date on which the New Share Option Scheme is adopted.

(15) RIGHTS ON CEASING EMPLOYMENT

If the Grantee is an Employee Participant or a Related Entity Participant and ceases to be the same for any reason other than death, ill-health or retirement in accordance with his/her contract of employment or for persistent or serious misconduct or other grounds referred to in paragraph (18) below before exercising his/her Option in full, the Option (to the extent vested but not yet exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent vested but not yet exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee is at work with the Group or the relevant related entity whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall be forfeited and lapsed on the date of cessation of employment.

In determining in which event the Grantee may exercise the Option (to the extent vested but not yet exercised) mentioned above, the Directors will consider (1) the past performance and contribution to the Group made by such Grantee; (2) the seriousness of the misconduct; and (3) the purpose of the Options granted to such Grantee (for example, whether it was for incentive for potential contribution or rewards for contribution already made).

(16) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the Grantee is an Employee Participant or a Related Entity Participant and ceases to be the same by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Option in full, his/her personal representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent vested but not yet exercised) in whole or in part within a period of twelve (12) months following the date of cessation which date shall be the last day on which the Grantee is at work with the Group or the relevant related entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine. For the avoidance of doubt, all unvested Options shall be forfeited and lapsed on the date of cessation of employment.

(17) RIGHTS ON DISMISSAL

If the Grantee is an Employee Participant or a Related Entity Participant and ceases to be the same by reason of a termination of his/her employment on the grounds that he/she has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), or (if so determined by the Directors) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under such Grantee's service contract with the Group or the relevant related entity, his/her Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Employee Participant or a Related Entity Participant.

(18) RIGHTS ON BREACH OF CONTRACT

If the Directors shall at their absolute discretion determine that (a)(i) the Grantee of any Option who is Service Provider or his/her associate has committed any breach of any contract entered into between the Grantee or his/her associate on the one part and the Group on the other part; or (ii) that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her creditors generally; or (iii) such Grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of his/her relations with the Group or by other reason whatsoever; and (b) the Option granted to such Grantee under the New Share Option Scheme shall lapse, his/her Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(19) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders, the Grantee shall be entitled to exercise his/her Option (to the extent vested but not yet exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his/her Option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the expiry of the said period.

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such scheme or arrangement, and thereupon any Grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier the date falling two (2) calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his/her Option (to the extent vested but not yet exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his/her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, all Option (whether vested or unvested) then outstanding shall lapse and determine on the date the proposed compromise or arrangement becomes effective.

(20) RIGHTS ON WINDING-UP

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) business days prior to the date on which such resolution is to be considered and/or passed, exercise his/her Option (to the extent vested but not yet exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall issue to the Grantee of the Shares in respect of which such Grantee has exercised his/her Option not less than one (1) business day before the date on which such resolution is to be considered and/or passed whereupon the Grantee shall accordingly be entitled, in respect of the Shares issued in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options (whether vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(21) ADJUSTMENTS TO THE EXERCISE PRICE

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable or the New Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors of the Company for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, to which the New Share Option Scheme or any Option relates and/or the exercise price of the Option concerned, provided that (i) any adjustments shall give a Grantee the same proportion of the issued share capital to which he/she was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the Listing Rules and such applicable rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser of the Company must confirm to the Directors in writing that the adjustment(s) satisfy the requirements of the relevant provisions of the Listing Rules.

Unless otherwise stipulated by the applicable laws, the effective date of any adjustment shall be the triggering event effective date, which for this purpose, shall refer to, in respect of each relevant event resulting in alteration in the capital structure of the Company referred to above, the day on which the Shares relating to such event are allotted or, as the case may be, created.

(22) CANCELLATION OF OPTIONS

Save as cancellation pursuant to paragraphs (9) and (24) and subject to Chapter 17 of the Listing Rules, any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant Grantee and the approval of the Directors.

The Board may cancel an Option granted but not exercised in accordance with the provisions of the New Share Option Scheme. Circumstances for such cancellation may include where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participant(s) and the Company are subject to, or in order to comply with the requirements of any securities exchange.

When the Company cancels any Option granted to a Grantee but not exercised and grants new Option(s) to the same Grantee, the grant of such new Option(s) may only be made with available Scheme Mandate Limit (and the Service Provider Sublimit) or the limits approved by the Shareholders pursuant to sub-paragraph (3)(c) above.

(23) TERMINATION

The operation of the New Share Option Scheme may by resolution of the Shareholders in general meeting be terminated at any time but in any event shall not be later than the date which falls ten (10) years after the adoption date of the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already vested or exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already vested or exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(24) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the Grantee and, subject to the applicable provisions of the Listing Rules, shall not be transferable or assignable. Any breach of the foregoing by a grantee shall entitle the Company to cancel the Options granted (to the extent not already exercised).

(25) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such Option; or (b) the expiry of the periods or dates referred to in paragraphs (15), (16), (17), (18), (19) and (20).

(26) OTHERS

- (a) The New Share Option Scheme is conditional on the passing of the necessary resolutions to approve and adopt the New Share Option Scheme and the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any Options which may be granted under the New Share Option Scheme, representing the Scheme Mandate Limit.
- (b) Without prejudice to sub-paragraphs (c) to (e) below, the New Share Option Scheme may be altered in any respect by a resolution of the Directors except that any alterations the terms and conditions of the New Share Option Scheme which are of a material nature or any alteration to the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of the Grantees or prospective Grantees must be approved by the Shareholders in general meeting.
- (c) Save for any alteration(s) which takes effect automatically under the existing terms of the New Share Option Scheme, any change to the terms of the Options granted to a Grantee (including the adjustments to the prescribed performance targets referred to in paragraph (8) above) must be approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

- (d) The amended terms of the New Share Option Scheme and/or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

- (e) Any change to the authority of the Directors or the administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Huanxi Media Group Limited (the “**Company**”) will be held at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on 25 June 2024, Tuesday at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors (the “**Director(s)**”) and the independent auditor of the Company for the year ended 31 December 2023.
2.
 - (a) To re-elect Mr. Dong Ping, as an executive Director;
 - (b) To re-elect Ms. Li Ni as a non-executive Director;
 - (c) To re-elect Mr. Wong Tak Chuen, who has served the Company as an independent non-executive Director for more than nine years, as an independent non-executive Director; and
 - (d) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint PricewaterhouseCoopers as the Company’s auditor and to authorise the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass with or without modifications the following resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any other securities which carry rights to subscribe for and are convertible into Shares) which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any other securities which carry rights to subscribe for or are convertible into Shares) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of any rights of subscription or conversion under the terms of any securities which carry rights to subscribe for or are convertible into Shares; (iii) exercise of options which may be granted under the share option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such schemes or similar arrangement of Shares or rights to acquire Shares; or (iv) any scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed the aggregate of:
 - (i) 20% of the aggregate number of Shares in issue as at the date of passing of this resolution; and
 - (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares in issue repurchased by the Company subsequent to the passing of this resolution (up to a maximum number equivalent to 10% of the aggregate number of issued Shares as at the date of passing of this resolution),

and the said approval shall be limited accordingly;

- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same;

NOTICE OF ANNUAL GENERAL MEETING

(e) any Shares to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the mandate in the above paragraphs of this resolution shall not be at a discount of 20% or more to the Benchmarked Price (as hereinafter defined) of such Shares; and

(f) for the purpose of this resolution:

“**Benchmarked Price**” means the price which is the higher of:

(i) the closing price of the Shares as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the date of the agreement involving the relevant proposed issue of Shares; and

(ii) the average closing price of the Shares as quoted on the Stock Exchange for the five trading days immediately preceding the earliest of:

(A) the date of announcement of the transaction or arrangement involving the relevant proposed issue of Shares;

(B) the date of the agreement involving the relevant proposed issue of Shares; and

(C) the date on which the price of Shares that are proposed to be issued is fixed;

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

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

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

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of Shares or other securities of the Company open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5. “**THAT**:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing of this resolution and the said approval shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
6. “**THAT** conditional upon the passing of resolutions 4 and 5 above, the general mandate granted to the Directors to allot, issue and deal with any additional Shares pursuant to resolution 4 above be and is hereby extended by the addition thereto of the total number of Shares which may be purchased by the Company under the authority granted pursuant to resolution 5 above, provided that such amount of Shares so purchased shall not exceed 10% of the total number of Shares in issue as at the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, such number of shares of HK\$0.01 each (the “**Shares**”) in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”, the rules of which are summarised in the circular of the Company dated 26 April 2024 (the “**Circular**”), such number being not less than that of the Scheme Mandate Limit (as defined in the Circular), the rules of the New Share Option Scheme (a copy of which is marked “A” and signed by the chairman of the Meeting for identification purpose and has been tabled at the Meeting) be and are hereby approved and adopted and that the board of directors of the Company or a committee thereof be and are hereby authorised to:
- (a) administer the New Share Option Scheme under which options will be granted to eligible participants under the New Share Option Scheme to subscribe for Shares;
 - (b) modify and/or amend the rules of the New Share Option Scheme from time to time subject to the provisions of such rules;
 - (c) grant options under the New Share Option Scheme and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme, subject to the Scheme Mandate Limit and the Service Provider Sublimit (as defined in the Circular);
 - (d) make application at the appropriate time to the Stock Exchange, for the listing of, and permission to deal in, the Shares which may thereafter from time to time be issued pursuant to the exercise of the options under the New Share Option Scheme; and
 - (e) take all such steps as may be necessary, desirable or expedient to carry into effect the New Share Option Scheme.”
8. “**THAT** conditional upon the passing of resolution 7 above, the Service Provider Sublimit (as defined in the Circular) be and is hereby approved and adopted and that the board of directors of the Company or a committee thereof be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

Yours faithfully
For and on behalf of the Board of
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

Hong Kong, 26 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. The proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares in respect of which each such proxy is appointed.
2. Where there are joint registered holders of any Share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such Share as if he 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 of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 11:00 a.m. on 23 June 2024, Sunday or not later than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
4. The register of members of the Company will be closed from 20 June 2024, Thursday to 25 June 2024, Tuesday (both days inclusive), during such period no transfer of Shares will be registered. In order to qualify for the attendance and vote at the AGM, all transfer accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 19 June 2024, Wednesday.
5. Whether or not you intend to attend and vote at the Meeting, you are requested to complete and return the form of proxy. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting should you so wish.
6. Particulars of the Directors proposed for re-election are set out in Appendix I to this circular of which this notice forms part.
7. 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.
8. 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.
9. As at the date hereof, the Board comprises Mr. Dong Ping (Chairman) and Mr. Xiang Shaokun, Steven (Chief Executive Officer) as executive Directors, Mr. Ning Hao, Mr. Xu Zheng and Ms. Li Ni as non-executive Directors, and Mr. Wong Tak Chuen, Mr. Li Xiaolong and Mr. Wang Hong as independent non-executive Directors.